

REPORT OF PROCEEDINGS OF TYNWALD COURT

Douglas, Wednesday, 22nd November 2000
at 10.30 a.m.

Present:

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

In the Keys: The Speaker (Hon J D Q Cannan) (Michael); Mr L I Singer and Hon A R Bell (Ramsey); Mr R E Quine OBE (Ayre); Mrs H Hannan (Peel); Hon W A Gilbey (Glenfaba); Hon S C Rodan (Garff); Hon D North (Middle); Mr P Karran and Mr G T Cannell (Onchan); Messrs J R Houghton and R W Henderson (Douglas North); Hon D C Cretney and Mr A C Duggan (Douglas South); Mr R P Braidwood and Mrs B J Cannell (Douglas East); Mr J P Shimmin and Hon A F Downie (Douglas West); Hon J A Brown (Castletown); Hon D J Gelling (Malew and Santon); Sir Miles Walker CBE LLD (hc) and Mrs P M Crowe and Mr J Rimington (Rushen); with Prof T StJ N Bates, Clerk of Tynwald.

The Chaplain of the House of Keys took the prayers.

Apologies for Absence

The President: Hon. members, we have apologies this morning from the Lord Bishop, who is off the Island on Church business, and from Mr Corkill, who is away on Treasury matters. I also have granted Mr Shimmin leave of absence for later on this morning.

Marown Primary School – Alterations and Extensions – Expenditure Approved

The President: Having seen off the major capital items yesterday, perhaps we can move on a bit smarter today and I call on the hon. member for Garff to move item 7 on our order paper.

Mr Rodan: Thank you, Mr President. I beg to move:

That Tynwald approves of the Department of Education incurring expenditure not exceeding £687,100 on the alterations and extensions to Marown Primary School.

The Department of Education is today seeking Tynwald approval for expenditure not exceeding £687,100. This is to enable a start to be made next week, with Tynwald's permission, on a scheme to provide Marown Primary School with four additional classrooms, improved office accommodation and staff room, together with the conversion of the original multi-purpose room to an ICT suite. The traffic management plan is to provide for the relocation of the junior playground and the creation of a safe drop-off and pick-up area as well as some additional car parking.

The four extra classrooms will enable the school to accommodate the rising numbers of pupils from the Crosby and Glen Vine areas. A large number of new houses have been built or are in the course of construction in the school's catchment area and the number of pupils on the roll has risen from 110 four years ago to 150 at present. The assessed permanent capacity of the school was for 106 children and there has been a temporary mobile classroom on site over the past few years. The office and staff room space have proven insufficient as the school has grown, as have the arrangements for parents to drop off and pick up their children at this school.

The total cost of the scheme at September 2000 prices is £729,000, of which Tynwald has approved pre-contract expenditure of £41,900 already. The department, therefore, Mr President, seeks approval for the construction phase costs of £687,100. I so move, sir.

The President: The hon. member for Middle.

Mr North: I beg to second, Mr President, and congratulate the department on moving ahead with this extension, much needed. (**Members:** Hear, hear.) Congratulations.

The President: The motion, hon. members, is that printed at 7 on the order paper. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

National Health Service (Isle of Man) (General Medical and Pharmaceutical Services) (Amendment) (No. 2) Regulations 2000 – Approved

The President: Item 8. I call on the Minister for Health and Social Security.

Mrs Christian: Thank you, Mr President. I beg to move:

That the National Health Service (Isle of Man) (General Medical and Pharmaceutical Services) (Amendment) (No. 2) Regulations 2000 [SD No 564/00] be approved.

The department seeks approval today for regulations which amend the terms on which general medical and pharmaceutical services are provided under the NHS. The purpose of the regulations is to add Propecia, a drug for the treatment of male pattern hair loss, to schedule 3 to the principal regulations, that schedule being the list of drugs which cannot be prescribed or dispensed on the National Health Service.

A Member: Why?

Mrs Christian: I appreciate this may disappoint one or two members of this hon. Court - *(Laughter)*

Mr Delaney: I declare an interest, Mr President!

Mrs Christian: - but I am sure that they will all agree that there are much more important priorities for NHS expenditure. I beg to move, Mr President.

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

The President: The hon. member, Mr Singer.

Mr Singer: I suppose I should be declaring an interest as well in this. Could I ask the minister: this we have obviously picked up from the United Kingdom, following the United Kingdom here. While sometimes on certain drugs we do have local consultation and we are allowed to prescribe certain drugs on the Island here which are blacklisted in the United Kingdom, I wonder whether advice had been sought from the local medical practitioners here as to what their view was. I would suspect that it was the same as in the United Kingdom, but should we not ask them rather than directly adopt the UK proposals without that consultation? And could I ask the minister, whilst she is doing this, is she looking at the decision yesterday to allow the anti-flu drug Relenza which is now going to be allowed to be dispensed in the UK? Would it not be a time to talk to the doctors, and when would she see us having permission to introduce that on the National Health Service in the Isle of Man? How long does she think it would take before that was done?

The President: Let us not widen it into an all-drugs matter. Mrs Hannan.

Mrs Hannan: Thank you, Eaghtyrane. Could I ask the minister, what is the cost of this drug and can it be obtained on a private prescription if people need to use it?

The Speaker: Thank you, Hazel.

The President: The minister to reply.

Mrs Christian: Thank you, Mr President. Yes, with respect to whether there has been local consultation, it is my understanding that the only changes of this nature are normally addressed through the Drugs and Therapeutic Forum, so I would expect that it has been considered and reviewed by that local grouping. However, I cannot imagine that after such consultation there would seek to be a variation from the UKU on this because we have so many more serious concerns to address.

The position with Relenza is that, yes, that will be addressed and I can give the hon. member, I am afraid, no indication of how soon it may be before that may or may not become available here, but now that the United Kingdom have made that announcement with respect to Relenza it will certainly be getting consideration in the Island. This drug cannot yet be prescribed on private prescription, but I anticipate that it will not be very long before that becomes the position. I do not have a cost for the actual drug. I do have an estimate of what it was felt it might cost in the United Kingdom on a broad base, and that was between £6 million and £32 million annually, a very wide range, but even at the lowest end of the range £6 million in the UK would translate to a not inconsiderable sum in the Isle of Man -

Mr Singer: Hair-raising!

Mrs Christian: - a hair-raising sum, the hon. member says. I can agree with that. So I hope that the hon. members who wish to avail themselves will not have to wait too long before it becomes available on private prescription.

The President: Hon. members, the motion before you is that printed at 8 on your order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Social Security Benefits (Isle of Man) Up-rating (Amendment) Order 2000 – Approved

The President: Item 9, the Minister for Health and Social Security.

Mrs Christian: Thank you, Mr President. I beg to move:

That the Social Security Benefits (Isle of Man) Up-rating (Amendment) Order 2000 [SD No 653/00] be approved.

Hon. members will recall that the Treasury minister announced in his February budget speech the provision of additional resources for social security to specifically target families on low incomes. I am therefore pleased to bring forward the order which increases, with effect from 1st November 2000, the prescribed amounts for the purposes

of family income supplement and disability working allowance by 5 per cent. All existing FIS and DWA beneficiaries will see their benefit income increase as a result of this special uplift in accordance with the prescribed amounts. In addition to that, there will be new qualifiers, but because the amounts of FIS or DWA payable in any particular case depend upon a number of factors - for example, size of family, hours of work, families' earnings, housing costs and so on - it is not possible to generalise about what the actual increase will mean to any particular family. However, the memorandum, which has been circulated to members, gives a variety of examples which demonstrate the favourable impact on qualifying families. I beg to move.

The President: The hon. member, Mr Rimington.

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

The President: The motion, hon. members, is that 9 is approved. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Social Security Contributions and Benefits Act 1992 (Application) (Amendment) Order 2000 – Approved

The President: Item 10, the Minister for Health and Social Security.

Mrs Christian: Mr President, I beg to move.

That the Social Security Contributions and Benefits Act 1992 (Application) (Amendment) Order 2000 [SD No 654/00] be approved.

Members will recall that at the March sitting the Court approved the application of the Social Security Act 1998 to the Island. One of the main purposes of the Act was to streamline the decision-making and appeals process. This order and indeed the next five orders make consequential amendments to social security legislation, updating and replacing references to redundant decisions and appeals legislation. This order also corrects a small number of drafting errors and inserts a definition of 'the Department.' I beg to move.

The President: The hon. member for Rushen.

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

The President: The motion, hon. members, is that item 10 be approved. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Social Security Administration Act 1992 (Application) (Amendment) (No. 3) Order 2000 – Approved

The President: Item 11, minister.

Mrs Christian: Mr President, I beg to move:

That the Social Security Administration Act 1992 (Application) (Amendment) (No. 3) Order 2000 [SD No 655/00] be approved.

Again the same comments apply to this order. It deals with an updating of social security legislation replacing references to redundant decision and appeals legislation. In particular, this order amends the Administration Act to provide that new decisions and appeals processes also apply to any allowances paid by any extra-statutory scheme proposed by the department and approved by Tynwald. I beg to move.

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

The President: The motion for your approval is printed at 11, hon. members. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Jobseekers Act 1995 (Application) (Amendment) (No. 3) Order 2000 – Approved

The President: Item 12.

Mrs Christian: Mr President, I beg to move:

That the Jobseekers Act 1995 (Application) (Amendment) (No. 3) Order 2000 [SD No 656/00] be approved.

Again this deals with decision and appeals procedures and also corrects a small number of drafting errors. Details have been circulated to hon. members. I beg to move.

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

The President: Hon. members, the motion is that item 12 be approved. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Social Security Legislation (Application) (No. 18) Order 2000 – Approved

The President: Item 13, the Minister for Health and Social Security.

Mrs Christian: Mr President, I beg to move:

That the Social Security Legislation (Application) (No. 18) Order 2000 [SD No 657/00] be approved.

Again this deals with appeals procedures. The order also amends the criteria for disability working allowance to allow persons with a disability who are employed by the department for therapeutic purposes, but who do not reside in the department home, access to the benefit. I beg to move.

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

The President: Will those in favour of item 13 please say aye; against, no. The ayes have it. The ayes have it.

**Income Support (General) (Isle of Man)
(Amendment) (No. 3) Regulations
2000 – Approved**

The President: Item 14, Mrs Christian.

Mrs Christian: Mr President, I beg to move:

That the Income Support (General) (Isle of Man) (Amendment) (No. 3) Regulations 2000 [SD No 658/00] be approved.

Again this deals with the appeals procedures and, in addition, the order corrects a number of minor drafting errors and inserts definitions of 'pensionable age' and 'sandwich course,' which were originally omitted. I beg to move.

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

The President: The hon. member, Mr Delaney.

Mr Delaney: The appropriate time, as the minister on several occasions now has mentioned the amount of drafting errors that is on all these orders doing social security legislation and, as I personally pointed out the difficulties of social security legislation as far as members are concerned when it comes to them, would the minister give us some indication on who drafts this and why there are so many error in these things that affect all these people on benefits?

The President: The minister to reply.

Mrs Christian: Thank you, Mr President. Yes, I also have been concerned about the number of drafting errors which apply in our social security legislation. The matter has been addressed by employing further staff in this particular specialised area within the department. Our orders also go to the Attorney-General's Chambers for

review. However, some of the errors which we are dealing with today are not errors caused by our department but they are errors which were incorporated in the legislation which has been adopted from the United Kingdom which have been subsequently picked up because they were not necessary to be changed in order for them to apply in the Isle of Man, but they are now being identified as errors in the UK drafting.

The President: Hon. members, the motion before the Court is printed at 14 on the order paper. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

**Family Income Supplement (General)
(Amendment) (No. 2) Regulations
2000 – Approved**

The President: Item 15, the Minister for Health and Social Security.

Mrs Christian: Thank you, Mr President. I beg to move:

That the Family Income Supplement (General) (Amendment) (No. 2) Regulations 2000 [SD No 659/00] be approved.

This also deals with appeals procedures and inserts a definition of 'the Department' and it provides that the grant of income of a student on a sandwich course is not apportioned over any periods of work experience for clarification and it also amends the regulations to allow for a member of a couple engaged in remunerative work whose partner is entitled to an increase of industrial injuries benefit for constant attendance to offset any child care charges against income, and therefore increases their entitlement to family income supplement. I beg to move.

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

The President: The hon. member, Mr Delaney.

Mr Delaney: This is the second part of my question which I was unable to ask the last time I got to my feet. As these deals with appeals, has any of these drafting errors affected anybody, is the minister aware, who may have lost their appeal due to any of these mistakes in the legislation?

The President: The minister to reply.

Mrs Christian: No, Mr President, they have not affected anybody.

The President: The motion, hon. members, is printed at 15 on your order paper. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Pension Supplement (No. 2) Scheme 1999 (Amendment) Scheme 2000 – Approved

The President: We turn then to 16; again the Minister for Health and Social Security to move.

Mrs Christian: Mr President, I beg to move:

That the Pension Supplement (No. 2) Scheme 1999 (Amendment) Scheme 2000 [GC No 42/00] be approved.

The motion at item 16 on the order paper seeks approval to amendments in the pension supplement scheme. Now, as we have already heard this morning, most of the social security legislation which comes before the hon. Court is of a technical nature involving relatively insignificant but sometimes complex adjustments to the law governing particular elements of social security benefits. More often than not, they reflect the requirement to keep our benefit and contribution rules in line with those of the United Kingdom for the purposes of ensuring that the historical reciprocal agreement with that country, which remains a basic plank of our policy and social security, can continue to function.

But this particular measure, especially in relation to its proposals for the rate of pension supplement, is neither insignificant nor a direct consequence of the reciprocal agreement. In that special respect it represents a major development in the totality of state pension provision in the Island's social security programme, quite distinctive from that of the United Kingdom.

The extent and reasons for the measure are described in the explanatory memorandum, which has been circulated to brief hon. members in relation to all the social security items on today's order paper. From that memorandum, hon. members will appreciate that amending the scheme serves two purposes: first, to refine the 10-year rule, and second, — and most importantly, to modify the way which the rate of the supplement is to be determined.

The first of these purposes is relatively minor. As hon. members know, the pension supplement is a local initiative and, as such, is aimed at Isle of Man pensioners. The established principle for that purpose is that 10 years' contributions must have been paid into the Manx national insurance fund. We are now amending this to 10 years of contributions being paid in the Isle of Man. Now, you may ask, what is the difference? The subtle difference is that because of administrative arrangements covering the transfer of national insurance accounts of individuals coming to work in the Island from the United Kingdom, the first full year of contributions paid in the Island by such individuals is remitted to the United Kingdom and thus do not meet the test of payment into the Isle of Man fund. We are now of the view that this complicates the matter and that it is perhaps unreasonable to deprive an individual of a potential qualifying year because of an administrative arrangement between the respective authorities.

For the vast majority of people, this change will be of no significance, because most people's pension

contributions record requires to be paid over a 44-year period for men and a 39-year period for women. So 10 years is the minimum contribution by which they can get any measure of pension at all. So people will either have more or less than 10 years of contributions in the Island. But for a fairly small number, the way we treat that first full year of contributions does mean the difference between qualifying or not for a pension supplement. Modifying the scheme to require only that the contributions were paid in the Island regardless of the administrative arrangements for determining whether those contributions find their way into the Isle of Man or UK fund both clarifies the scheme and removes the clause of discontent for a small number of individuals. I believe it certainly will make it more understandable for members and the public at large.

We are also proposing to backdate this requirement to June 1996, when the present wording of the appropriate provision of the scheme was introduced and which in any case was found to be defective. We will be identifying from department records and subsequently contacting the small number of individuals affected by this wholly beneficial change.

Turning now to the second and much more significant purpose of the amendment scheme, hon. members may recall that when I tabled at the sitting of this hon. Court last March the latest report of the government actuary on the operations of the national insurance scheme in the Island, I indicated then that the department would be undertaking a review of current pension policy in the light of issues raised by the actuary. Today's measure represents the outcome of that review.

The starting point for the review was the fact that the actuary had drawn attention to potential problems in the longer term in continuing with existing policies in relation to benefit provision and contribution liabilities. The magnitude of those potential problems is most starkly summed up in his projections that by 2061 the national insurance fund would be in deficit to the tune of anywhere between £2 billion and £4 billion depending upon the extent of population changes with annual deficits of upwards of £130 million being the order of the day. That nightmare scenario is exclusively the consequence of the local pension supplement policy.

In my statement on the actuary's report I did, of course, emphasise that the actuary was not making predictions on the basis of known and certain facts; rather he was projecting ahead on the basis of a range of assumptions containing various degrees of uncertainty, including assumptions about the continuation of existing current policies in determining benefit and contribution rates, but nevertheless his report contained very clear pointers to the emerging difficulties in the years ahead.

It is, I hope, the very firm view of this hon. Court that we are not entitled — indeed, it would be wholly irresponsible — to bury our heads in the sand and ignore those future difficulties. Our remit is not limited to today. It does impose upon us a responsibility to consider the liabilities we are establishing for future generations, and in that regard I would like to say this: the future difficulties which the actuary has projected are not the consequence of the benefits we are actually paying today; we can afford

that, but the difficulties are the consequences of what we are requiring through the anticipated growth in pension supplement, future governments to be paying and future generations to be funding. That has been a key feature of our thinking in the review and has heavily influenced the outcome, as has the matter of trust between generations. We must not forget that today's pensioners are paid by today's contributors who, in their turn, will expect no less of future generations in relation to their state pension provision.

The outcome can be essentially summarised as follows: we propose to temper the promises for the longer term inherent in the existing pension supplement scheme, whilst at the same time enhancing pension provision in the short and medium term. From next April we propose that the pension supplement be payable at a rate equivalent to 50 per cent of whatever the basic state pension rate is from time to time. This produces, having regard to the recently announced uplift in the basic pension to £72.50 from April next year, a pension supplement rate of £36.25, almost a doubling of the present £18.70, and it means for the next 10 years or so the pension supplement will be at a higher rate under the new scheme than projected under the existing arrangements. Thereafter the 50 per cent cap will have the effect of modifying the current longer-term projections for the rate of supplement, but it will nevertheless ensure that for every £2 increase in the basic pension an additional £1 will be included in the income of pensioners in the Island who qualify for the supplement, of which there are presently in excess of 10,000.

The proposal before the hon. Court today addresses in a most positive way one of the few criticisms of the current pension supplement scheme, through the perception that it gives insufficient weight to the position of today's pensioners. It also makes a very sensible adjustment of the extent to which we may, by continuing current policy, be storing up severe problems or liabilities for future governments and their generations. It is not, of course, saying that those governments will not be able perhaps to do even more for their people. That will be a matter for consideration on the basis of future actuarial reviews and indeed an assessment of whether or not the assumptions made by an actuary at any particular time are being in practice met.

But we are, if we accept today's resolution, creating a legacy which will give our successor governments breathing space in which they can examine and determine, on the basis of the future progress in the Island's economic well-being, the extent of further Isle of Man enhancements in state pension provision which from time to time may be appropriate and affordable, and they will be doing so, subject to no catastrophic downturn in the Island's fortunes, from the same comfortable position in relation to NI fund reserves as we currently enjoy. We would, I feel, be rightly subject to the highest condemnation by our successors if, having been advised, as we have, of the inherent dangers of continuing the present policy, we ploughed on regardless.

Now, I would like, Mr President, to say a word or two in anticipation of other possible criticisms of our proposal, in particular the treatment of pension supplement for

income support purposes and the fact that the proposals do nothing for the minority of pensioners who do not qualify for the supplement because of their failure to satisfy the 10-year rule. When the pension supplement was introduced, one of its prime long-term objectives was, having regard to the developing second pension arrangements, to lift pension income level above the levels set by means-tested top-up benefits, then called 'supplementary benefit' and now called 'income support'. That objective was, I think, universally accepted. The receipt of higher pensions payable automatically on the basis only of contributions paid throughout the working life is, I believe, generally regarded as preferable to an application for means-tested top-up, which some older people in particular still regard as an indignity to be avoided. That objective does, I hope, remain in all our sights, notwithstanding that the United Kingdom's policy for basic state pension provision for pensioners now appears to be geared in the opposite direction - that is, to increasing rather than decreasing the extent of means-testing. Our objective, however, requires that the pension supplement is taken wholly into account as income for the purposes of the means tested benefit. At the same time it requires the avoidance of indiscriminate uplifting of the prescribed levels of income below which entitlement to the means tested benefit can arise. The fact that we are now giving a special boost to the pension supplement does not and should not impact upon those principles. (**Mr Delaney:** Hear, hear.) I am pleased to hear the hon. member agrees with me on that. I have doubts whether he has really appreciated what I have said, but I am very pleased to hear he agrees with me. (*Laughter*)

Mr Delaney: I did not say we were going to do it though, did I?

Mrs Christian: In broad terms no more than one in five pension supplement recipients also receives income support, but for the minority group we recognise that some uplift in the prescribed needs levels for the purposes of that benefit will be appropriate to ensure that their total income does not lose unacceptable ground relative to the minority. We will be coming forward with proposals in time for next April's uprating.

In relation to those who do not qualify for pension supplement because of failure to satisfy the 10 years of Isle of Man contributions rule, again I have to say that the simple fact of a special uplift in the rate of pension supplement does not and should not impact upon the principle underpinning that rule. Since the pension supplement was introduced embracing that principle, it has been subject to detailed review both by the department and by a select committee of this hon. Court. On each occasion the principle has been confirmed and, until such time as the United Kingdom can offer a corresponding reciprocal benefit to the pension supplement with financial adjustments for Isle of Man pensioners who move to that country, I have to say that I cannot envisage any modification to the present 10-year rule. It reinforces the contributory principle and I make no apologies for that. We are in the fortunate position of being able to propose a

pension supplement increase on the basis of those people who, in the Isle of Man, have contributed into the national insurance fund from which, for a variety of reasons, we have been able to produce surplus with an investment fund, which enables us to take this step. It is, nevertheless, a fact that after satisfying the less stringent residential qualification which exists within the income support scheme, any pensioner living here, regardless of contribution history, has potential access to income support.

Mr President, in submitting this measure today I do so in the belief that it represents a very welcome enhancement to our state pension provision in the short to medium term, and particularly in the knowledge that it is affordable and sustainable in the longer term while at the same time allowing the flexibility for future generations to make further adjustments to those provisions in the light of economic developments to come. I beg to move, Mr President.

The President: Hon. member for Rushen.

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

The President: Hon. member, Mr Waft.

Mr Waft: Mr President, the impression seems to be given that if pensioners qualify for the 10-year rule they will get the supplement. That is true, but they will only get a percentage of the supplement. If for instance, they have been off work raising a family, paying a married woman's stamp or for whatever reason their ordinary retirement pension is reduced the supplement is therefore consequently reduced, so even if they have paid for the 10 years they still get a reduced supplement, but the impression is given that they get the full supplement because they have paid in for the 10 years. If they do not qualify for the full retirement pension, then the full supplement pension will not be paid irrespective of the 10-year rule. Thank you, Mr President.

The President: Mr Braidwood.

Mr Braidwood: Thank you, Mr President. I rise to support the proposals. The reason I do this is that I, in my budget submission on 15th February, quoted, 'Sometimes you have to put your head above the parapet.' And may I turn my attention to the pension supplement, which has risen by 21 per cent to £18.70, a £3.30 increase - approximately 28 per cent of the basic pension of £67.50. We are very fortunate since the establishment of the national insurance fund it has grown considerably because of successful investments to an estimate of around £395 million. At today's on 30th September, it stood at £406 million. Since the introduction of the pension supplement in April 1993 at the standard rate of £5 per week to entitled pensioners it has risen steadily and now stands at about £18.70. The pensioners who receive this supplement are very grateful for this additional help, but we also have to look to the future, not even for ourselves but for our children and for our children's children to see the benefit from this fund.

The reason I bring this to the attention of this hon. Court is that a decision has to be taken sooner or later that a constraint be placed on this supplement when it reached a certain figure - say, 50 per cent of that of the basic pension, an amount which I am sure the pensioners today and tomorrow would say is a fair compromise to enable the fund to continue well beyond that expressed by the government actuary in his report and be of benefit for generations to come. Therefore I said that nine months ago (*Mr Brown interjecting*) and I am glad that the minister has said in her speech that she is going to look at income support for the elderly and also for the single and is coming back to this hon. Court, and I have to congratulate her as well on the modification to the 10-year rule, where those people who have paid their full 10 years contribution in the Isle of Man are going to receive the supplement and for it to be backdated.

I do believe this is the right decision. The fund has increased quite considerably from the quinquennial review of the actuary in March 1997 because at that time the fund stood at £259 million, so it has increased by £147 million. I know that the uprate, instead of earnings, will be fixed to the RPI but when we look at the total amount that our pensioners are going to receive from 1st April, which is £108.75 based on the basic pension, this will be over the amount which they would have received if the basic pension had been linked to average earnings in 1980.

It is the right decision because we are looking to the future and to our generations who are to come. Thank you, Mr President.

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

Mrs Hannan: Thank you, Eaghtyrane. I do support this but, in supporting it, I must raise concerns because it is all very well we have had good investment we have got this extra money within this fund and it can be paid out now, but it is so easy to give and yet it is so difficult to take away again once we have created this. It is all very well to say that this money is available and we can pay it out, because in actual fact I suppose we are quite embarrassed at how successful this fund has been and it has not been paid out for other things such as employment benefits and everything else that comes out of this fund because of our economic success at the moment, but it is with this ease that we are paying it out and at some time in the future my understanding is that has to change.

Mrs Christian: No.

Mrs Hannan: It does not have to change? We can continue paying it out at 50 per cent even after 2060, whatever?

Mrs Christian: We will respond to it.

Mrs Hannan: Because it is this that concerns me. My understanding is that we have to have a growth in population to do that, we have to have people paying this in, so we have to continue being successful. Ten years ago we would not have seen ourselves being in a position to

do this. We are doing this now; in 10 years' time the whole scenario could be changed, and I am just flagging up my concern that I think it is this ease with giving and taking away again in the future.

Now, the minister has said that with regard to income support, that is paid to any pensioner that needs income support. Is there a residential qualification with regard to income support or are we going to see a situation whereby people are in actual fact encouraged to come here and settle because of the income support that we are able to provide and to give a better quality of life to pensioners? This has happened in the past; we have encouraged pensioners to come and live here and to bring their sizable income with us, and that is only within our lifetime that we have done that and increased the pensioner population.

So I do support it but with those concerns. I have read the paper but I was confused because of the way that it was presented this morning by the minister and I hope I can have clarification on those points. I do think that we have been economical with our funds in the past so that we have got to this situation, and it is not purely through national insurance payments by our workforce; it has been through judicious investment over the years, and I would hope that if we can understand that, we are going to move away from this attitude which a lot of members in this Court have of this particular fund being fleeced for payment for our hospital. We have a whole load of income support and benefits that come out of this, not just the retirement fund. I hope the minister can clarify those points.

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

Mr Henderson: Thank you, Mr President. I rise to support this excellent initiative. (*Messrs Houghton and Duggan:* Hear, hear.) It may come as a surprise to the minister but -

Mr Cretney: He is going pink!

Mr Henderson: - anything that has the proposals as put to us today deserves praise, and I have indeed looked into this matter and been to the Department of Social Security for my own clarification and had a very good briefing session and am happy in the way that the detail of this proposal is going to be progressed. But there are some important principles established here, and one is recognising the importance of the national insurance fund and the way in which these new proposals attempt to manage it for now and into the future and taking on board the actuarial problems that were highlighted earlier in the year, and I am delighted at the outcome of that and how this proposes to address that and to stop any of the anomalies or nightmare scenarios that were flagged up earlier in the year in that report. It is no surprise that I expressed concern for this particular fund and I am delighted that this is now the outcome.

The uplifting for the pensioners of this Island is good, and the way I read it is that the average uplifting for an average pensioner in weekly terms is around about £22.50, something in that rate, and if the minister could confirm

what the average uplifting is in terms of what extra the pensioners will receive as a result of this measure, it would be good for the public record.

Mr Delaney: With difficulty.

Mr Henderson: On the issue of income support, that too I am pleased with because the concerns there have always been that, basically, any increase goes in one hand and out the other because the increases in supplement are classed as income and therefore income support could drop in the other hand, but there is information being supplied that the income support situation is going to be looked at and certain processes are going to be put in place to address any anomalies there, which also is good; in fact, that is excellent.

The only thing I am concerned about, if there are any concerns with this at all, is the fact there may be a nub of middle people on income support who are not very elderly or very insecure and who may not see any definable increase in this good, uplifting exercise, so that is my only small concern to the minister on this particular issue.

The adjustments to the 10-year rule are very welcome and it brings one or two more people into the scheme, which is good, but there may well be others who still fall outside this particular area and who will probably continue to highlight their concerns to the department. But overall, this scheme has to be supported and certainly, the way I read what the uplift will mean in general terms to the average pensioner, I think it is very good and very welcome.

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

Mr Singer: Thank you, Mr President. Could I pick up the point made by the hon. member for Council, Mr Waft, and ask the minister for clarification? Mr Waft referred to a person who for various reasons got less than the basic pension, and he was querying whether in fact they then got less than the basic supplement - they only got 50 per cent of their lower pensions. But, reading the document, it does say the rate of supplement in each succeeding income tax year shall be 50 per cent of the basic category A retirement pension, which I would suspect is this basic pension, which is £72. Therefore does that not mean that everybody, regardless of what they are getting as a base pension, should qualify for the supplement under this category A retirement pension so that everybody will get £36? That is how it appears to read here.

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

Mrs Crowe: Thank you, Mr President. I rise to support and congratulate the minister for bringing forward this excellent scheme for the pensioners of our Island, and I would also like to pay tribute to the manager of the social security division, Mr George Hull, and the officers of the social security division who, despite the more normal constant negative sniping from the centre of the bench in front of me -

Mr Henderson: Shame!

Mrs Crowe: - work very diligently to progress their remit of redistributing the wealth of this Island not only to those entitled but also to those in need.

We now have what could be considered to be by many the best pension scheme in Europe. We have a basic pension not 75 pence higher than the adjacent isle but 50 per cent higher. Our single pensioners, if I have got the figures right, will not receive £67.50 as across the water but over £108 a week, and we have a viable and solvent scheme not only for the pensioners of today but, as importantly, for the pensioners of tomorrow.

Mr North: You!

Mrs Crowe: Thank you.

A Member: Not long to go, Pam! *(Laughter)*

Mr Delaney: That is unkind.

Mr Cretney: Hear, hear.

Mrs Crowe: We will be lifting people now out of the benefits system, but surely that should be our aim in society, an entitlement to a better pension rather than a means-tested benefit. I think this scheme needs to be applauded.

I hope that the £108 a week will be seen by the majority of pensioners as meeting their needs, especially as a substantial number of pensioners and indeed the majority of new retirees have a second pension option as well, be it an occupational pension or whatever.

Picking up on what the hon. member of Council, Mr Waft, said in the start of this debate, I would just like to add one note of caution, and that is particularly to the women of the Isle of Man. Our pension rights are determined by a number of variants - marriage, divorce, separation, working age all determine our pension rights. We have a system in the Isle of Man where every woman on this Island can get a pension forecast and I would say to the women of the Island: take that opportunity now. Do not leave your pension rights to chance. Check on your entitlement to pension now and you may be able to do something to improve your pension rights if you are not leaving that option far too late.

Minister, I hope you receive the praise you deserve for this innovative scheme that I feel will bring the great majority of pensioners on this Island into a living pension for today.

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

Mr Quine: Thank you, Mr President. I am not sure whether the hon. members for Council, Mr Radcliffe and Mr Kniveton, and I should declare an interest here (**Members:** Hear, hear!) but seriously, it is held in common with others, I suspect; there is no question of it. I was a little bit concerned when I heard Mrs Christian use the term 'short to medium term.' I think that will probably see me out, but I am not quite sure. *(Laughter)*

Unquestionably this is a major development and a very welcome development and I am sure it will be recognised

as that outside. There are really just I think two points that I would wish to put on record. First of all, of course, we are talking about the benefits as it is going to apply from next year, and that the increase that is going to come about at that time is going to be very marked, and I am sure it will register with the recipients as being a very worthwhile increment; there is no doubt about that. But we have to bear in mind, of course, that, indeed, as the minister has pointed out, it is a percentage based on goalposts that not only can be moved - and there is a very real prospect they are about to be moved because we are talking about the UK - but the goalposts are not ours; they are the UK's goalposts and we are pegging ourselves to those goalposts. So I think we have to recognise that and seek to take comfort from the fact that we are in receipt of these actuarial reviews and therefore we do have the opportunity every five years or so to see whether the framework, which I hope will be endorsed here today - I am sure it will be endorsed here today - is going to be appropriate for 5, 10, 15 years hence. So I think that is a point worth putting across publicly, because we are not completely in control of the totality of the situation.

The second point I was going to mention is the department has, I think, discarded, or put aside for the moment, the comments of the actuary where he was pointing out that perhaps the Island should look towards less complex arrangements than are in place in the UK. That point was made by the actuary and I think the implication was that we should be looking, perhaps, at a system where we stand alone and where we have a more streamlined system which is particular to the Island, and that is something, of course, which I have advocated on several occasions over the years. I am still minded that that is the right way to go although I can see the strengths of basing the system on a framework that is already in being in the adjacent isle.

I think the final comment I would make is that I really do not think we can question that the most desirable line to draw in terms of pensions is a line with average earnings. If you do not have a line with average earnings, then over a period of time there is the distinct possibility that the pensioner is going to be to some extent, greater or lesser, to disadvantaged as one against the other, because quite frankly - and I think this is particularly so while we are linked to the UK - the UK - and indeed it has been said quite recently in the UK debate in this matter - are not minded to base their pension on average earnings and therefore, if we are going to be pegging ourselves to the UK and they are opposed to average earnings, then at least in the short-to-medium term we are not going to be able to - what I believe is correct - adopt this principle of pensions being linked to average earnings.

But in terms of this order I welcome it; I think there is a lot of imagination gone into it and I feel sure that what is in this order will be welcomed by a great number of pensioners outside, although there is the more controversial item of those who do not qualify, particularly those who have joined us over more recent years, but I think that is something which we will just have to live with for the time being. But I think it is a good scheme and the order is well worth supporting, sir. Thank you very much.

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

Mr Rimington: Thank you, Mr President. Just to address a few pointers that have been raised so far, first I must express my disappointment at my hon. colleague when she was showering the compliments of all concerned and forgot to mention the hard-working member for social security, (*Laughter*) but I can live with that.

A Member: Oh, come on!

Mrs Crowe: No-one gives me any credit either, John!

Mr Downie: You have to get some time in first!

A Member: Hear, hear. (*Laughter and interjection*).

Mr Rimington: Since joining the department in the summer it has been quite an interesting few months and I have appreciated my time there and been able to take part in addressing this major issue, which obviously came to this Court before I was elected, and I am pleased to be part of the proposals, if only you might say a minor part, that are coming before us today.

There are a few questions that perhaps I could address. First of all on the size of the fund, the size of the fund is now even higher than the hon. member for Douglas East was referring to and is significantly over £400 million.

Mr Braidwood: Four hundred and six.

Mr Rimington: Well, £411 million at the last count, sir, (*Laughter and interjections*) and is likely to continue in a healthy upward direction during the remainder of this year.

The hon. member for Peel, Mrs Hannan, was concerned with the assumptions for the future. Now, we must emphasise that the projections that we are basing this increase in the supplement on are based on very conservative assumptions. The actuarial report first of all described two scenarios, one of a net migration of zero and how that would affect our situation in the Isle of Man, and then on a net migration of 500 and how that would affect our situation on the Isle of Man. The department has chosen to take as a standpoint a net migration of 250 which, linked to demographic factors, really equates to a roughly stable population, and we know as we stand now that that is not the case and that the population has been increasing, so the figures that we are using are based on a very conservative standpoint, and also we are using the historic difference between the rise in earnings and inflation of 1½ per cent which has been in existence for many years over the different cycles. We do not know in the future whether that will continue to be so although it is presumed likely to be.

Also, the return on the investment account has been done on conservative assumptions as well, and the return on that investment account has in fact been better than those conservative assumptions, so indeed all the pointers, at this point in time, look positive for the future, but it is

right to be conservative because those assumptions, if we raise them too high, might not come into being and then we would be in a very difficult position but really it is giving the future governments flexibility, and we hope that will give future governments flexibility on subsequent actuarial reviews on the size of the fund, whether it is in a few years' time or 5, 10 years' time, to say, 'This is our position now, these are our projections based on today's information' and hopefully then be able to continue and release more money, but at the moment it would be very unwise and very foolish to do so.

Just for the hon. member for Douglas North, the actual increase from this year on a basic pension with the supplement - the individual will be getting £86.20 and next year, with the supplement, he will be getting £108.75 which, just for the record, is an increase of £32.25.

Members: Twenty-two.

Mr Rimington: Sorry?

Mr Delaney: Get it right between the two of you, now! (*Laughter*)

Mr Houghton: That is why you have them in Social Security!

Mr Rimington: I knew there was a good reason why I stopped teaching maths! (*Laughter*) My apologies. But that is a significant increase.

We have considered the issues which were brought up in the actuarial report on the question of arrangements with the UK and the questions of complexity, and I think it is probably not just my desire and other people's desire when faced with the whole mass of social security legislation and the complexity of benefits to say at the first instance, 'Surely there must be something better than this. Surely we could devise some simple scheme which would do the job more effectively, possibly not having the equivalent of nearly six people working full-time writing social security legislation' which is the situation at the moment. But unfortunately, even if we at this point said, 'Right, we are going to go on a different path' with all the potential disadvantages that might have, that complexity is still there in the way that people have built up their pensions over the years, with SERPS, with new pension arrangements coming in; those perplexities will be there for many years to come whether we like it or not, and we have looked at that closely and we are reluctant to deviate away and try and do something which may or may not succeed, and I think it would require an immense effort by all concerned to try and devise a better and simpler scheme.

Mr President, I think that is all, but just to emphasise that the future at the moment looks promising but we have made conservative estimates, and I would like to reassure the hon. member for Peel that in years to come we hope to be in a position where we can give more money, but it is better to start off conservatively at this point.

There is just one other item which the hon. member for Peel was concerned about, and that is income support and the qualifications for that. In simple terms, our residential

qualifications - to qualify, a person must be an Isle of Man worker as defined by the Control of Employment Act. Two examples of satisfying the residential qualifications are having been born on the Island or having lived on the Island for five consecutive years, i.e. the normal residential qualifications, so I do not think that in itself would then attract a flood of prospective pensioners to the Isle of Man on the basis that they would have to be here for five years before they could be eligible for that income support. Thank you.

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

Mr Delaney: Thank you, Mr President. First of all I want to rise and certainly praise the junior member of this Court for the position he has taken up and had the courage to take up, and actually - the first time I have come across him on the same platform - for the way he addressed the people of the south in relation to this matter some week ago - excellent! Congratulations. He did the Members of the House of Keys proud with his presentation and I know they appreciated that. I will have no trouble in recommending to anybody to look after my pension when my time comes for a pension; he certainly had a grasp of the situation.

This order deals with the mechanics of implementing a piece of policy which I wish to congratulate the minister and her department on. Why? It is agreeing with what I have been trying to do and many, many members of Tynwald Court have been trying to do for years: get our pensioners to what the hon. member for Rushen talked about, the best pension in Europe. If he was around at the time - I cannot remember; my memory is getting bad as I get older - that is what my aim and intentions have been with others in this Court for years. There is no reason at all why the pensioners of the Isle of Man should not be the best well-off pensioners in Europe and, in my opinion, in the world - no reason. And the minister will recall, and she knows as well as I do and others, the fact is that we did something that the people we are tied to for the basis of our pension did not do - Mrs Thatcher. And this order comes about because we retained our pension fund. That is the reason, not because we have money falling out of the trees because we created money in the trees to be able to pluck off when we required it.

I congratulate the department. It certainly is appreciated, to my knowledge and, I am sure, to the other members of this Court who have spoken to people who received this pension. They are grateful for what has been done and I do thank the minister.

The whole issue of pensions will always be a sore point with those who cannot afford to pay it, but I will state again that I have never met any working person in this Island or anywhere else who, once they were asked for money, extra payment during their working life towards their pension, would deny that they would not wish to pay it - as long as they know they are going to get it. It was the confidence that was always the concern, and twice at least during my life the pension scheme was changed, and I have no doubt the people we are tied in Britain will find some reason in the future to change the whole basis of the

pension again, and unfortunately, as I have said, on this order the people of the Island will have no say in what those changes are as long as we are tied to it.

I understand and am wary of the situation that has not been mentioned when the argument took place between my colleague, my friend from East Douglas, and the new junior member responsible for the pensions about how much was in this fund. What I would like to know is one little question: is this book value? Are we talking £411 million or £450 million at book value? Our pensioners depend also on what happens on the stock exchange on how much money we have to give out. (*Mr Downie interjecting*) The situation could change overnight and therefore that is the point, I think, the hon. member for Peel was trying to flag up, if I understand it: there may be hard times around the corner.

I am in the process of trying to understand why it is at this time that we are still tied to this. We could still use it as a basis for our basic pension on which to pay our retired people without having to actually be tied to it. It is easier, I understand, for the administrators to do work on this, but, as members understand even from the minister today, the complications involved are quite horrendous. The complications of pensions of this intertwining between us and Britain and Europe in some cases - that will come in the future, I have no doubt - will cause major headaches for administration.

I am interested in the item Mr Waft raised and the member for Ramsey raised; I wonder if the minister, in her answer - or would she supply the answer on the question asked by Mr Waft? - about what sort of cost we would be talking about to do what he was talking about in breaking down that? It is a question that has never been asked, to my knowledge.

I am sorry that this order, as it is limited on the two items - it is appreciated that this extra tenth year will now be taken into consideration. I am sure the handful of people we may be talking about would appreciate that. But, as members are aware - I am sure members of the Keys are aware from the amount of letters I have had - there are people on the Island who feel very hard done by in relation to the way - and I know we have to draw lines somewhere - they do not, as born Manxmen, get this benefit of the welfare that is being given by their state.

Mrs Hannan: If you've not paid into it. . .

Mr Delaney: They are not going to rush back to the Isle of Man because they are going to get this extra money. They did not know that there would ever be any extra money paid, and particularly - and I speak for one group - people, and I know the argument will come back about 'Well, they had a choice: when they left the services they could have come back to the Island' - a lot of people left this Island and are across, serving their country. They will settle, their families will be brought up outside the Island, and for those that were here it is the same argument I put when the work permits were introduced where we denied the Manxman the right to work in his own land without a permit, and we subsequently altered it. I believe if a Manxman who left the Island to serve his country found

himself where he is settled in a system similar to ours, which we are tied to in pensions, he should not any way be discriminated against, and there are other groups who left the Island. I know Mrs Crowe might find this amusing, but Manx people are Manx whether they are here, in Australia or wherever they are, and the fact that they are not getting the benefits of the welfare state that they left in a lot of cases because of hard times is wrong, and I want somebody besides the minister to put together another look at the situation. They are not going to live forever. If they came back today at 65, how many years could they look forward to back in their homeland? And they are going to be treated as second-class citizens because they left here.

I am sorry, for those of you who are more nationalistic than I am, I hope you search your conscience on this one. I believe that we should be welcoming our people back and not denying them what we give their fellow citizens and fellow countrymen. Doing add-ups and take-aways on the register is all very good, but I think we should get down to the reality; we should welcome our own people back and give them the necessary, what their fellow citizens have enjoyed. That is my view, and I might be totally wrong but I believe that.

The minister, talking on this item, raised many subjects. One that she raised of interest to me was the last actuarial report, and if members have read what was given out to them they will see we are now talking not of the actuarial report before this, 1936; we have moved 25 years ahead and in the space of a few years the actuary is now moving into the 2060th, but the report before this that came out and which we originally argued, the whole thing about supplementary benefit, based its future projections on the year 1926, so we are jumping ahead in leaps and bounds. I know there is a reason for that: good bookkeeping. I accept that to some extent, but I hope members just realise that we are now advancing our people further and further ahead for the benefit of the consolidation of these pension funds.

As I have said, I welcome it. I am sure that there are a lot of people on this Island who will be disappointed that they will not get the benefit, and of course explanations will be given by each individual member, but I hope that the minister will give me in a reply some hope that they will review this 10-year rule and how it applies to Manx people who are not on this Island but who want to come back. I am not saying, 'Give it to the millionaires.' As I said, 'Hear, hear' when the minister was reading out his speech, I do not want to be misled by that. I know you have got to have a basis to work from, but there are people in this Court who would agree with me it is where that basis starts from, it is how much money you will give a household to live on. That should be what we are looking at. We know there has to be some sort of levelling factor, but it is the base that you start from, and what I do not accept and I believe the majority of this Court will not accept is that we will say to the people, 'Here is this £36.25 and the majority of it will be taken off your supplements.' That was not mentioned. That would be wrong, that would be totally wrong because we should be bringing all our people up, not putting the finite base level and bringing people up to that level and saying 'No further.' We should

be bringing them all up, and if our pensioner who does not need supplements is entitled to this extra payment the people below them who do need supplements should be coming up the same way.

That is the point that I would disagree with the minister on, and I hope the majority of the members would support me on that. Let us pull everybody up by the boots if necessary but pull them up, and basing levels on any sort of British standard is totally wrong.

I have circulated members a copy of *The Guardian* article and it is based on what is happening across the water, where the actuaries there say they could do exactly what I intended to do in this Court before we got this good news. I will not be moving my resolution, but I wanted members to see that it depends who you are speaking to and what piece of information you are asking for as to what answer you will get. I believe a major mistake has been made in Britain and unfortunately it could have been that our pensioners would have been impacted by that statement and by that policy, but I believe that this report will drive the British Government, if not in this House, certainly in the next, to restore pensions to what they should be. (A Member: Hear, hear.)

I thank again the minister and the work done by his staff. Somebody raised the matter of Mr George Hull; he was mentioned, which we should not do in debates, but now he has been raised, I would like to say this: George Hull and his colleagues are some of the finest people I have had to work for in my 2½ (Members: Hear, hear.) They really are. I know their value; nobody has to tell me what the value of good officers is, and I only hope that the replacements, when their retirement comes, have the ability that those ladies and gentlemen have who have worked so diligently over the last 25 years with me, as limited as I may be.

The President: Hon. member, Douglas North, Mr Houghton.

Mr Houghton: Yes, thank you, Mr President. I rise very briefly because most that requires saying this morning has already been said in the excellent debate thus far. I join everyone else to congratulate the department. The way I look at it is, of course, the considerable increase amounts to well over £1000 a year; that is the way I look at it here, and, in addition to everybody's concerns on income support - and I join them - the way I look at it is that this really will affect those people who sit just above the income support line, those people who are themselves facing growing expenses, whose interests on their investments are eroding, their capital investment is eroding because they are cutting into that to pay increasing expenses such as the enormous heating costs that are going through the roof, (Mr Henderson: Hear, hear.) and, to be quite honest with you, I think that by the time another year goes over, from next April to the following April, by the time they have finished paying for these extra heating costs et cetera they will be no better off, but at least they will not be any worse off, and what I am saying to my constituents now is, 'Spend that money when you get it. Spend it on heating. Keep warm' - most important, vitally important. The time when

I was in the Department of Health and Social Security it was not really known then the number of people who just sit above the level of income support, but there are an enormous amount of people who have small amounts of capital investment and very, very tiny second pensions from their previous employment and who really are suffering and they have not got the key to the income support benefits which gave them free TV licences et cetera, and when I, in my time in the post office, used to pay those people their extra Christmas bonus, it was very, very much welcomed just as this is here.

One query for the minister if she can assist with this in her reply is, Manx workers who have worked all their lives in the Isle of Man, 10 years or more, notwithstanding that - those who then go and live in the UK or throughout the world - how does this affect them when, of course, their pensions are remitted from the Isle of Man DHSS to bank accounts throughout the world? How does this affect them? Thank you, Mr President.

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

Mr Brown: Thank you, Mr President. Naturally, like all the other members, I fully support the proposals before us today and I think it is right that where we can, we can actually provide support for our pensioners as of right as against having to be assessed and go through the means-tested system, and that is what this is about; this will actually alter that, and I think it is unfortunate when the view may go out that government is taking away from one hand while giving with another. The system is quite clear, it is to provide support and, if you are to that level, then of course, the income support system does not come in to provide a safe net, so there will be that readjustment which members have to try and explain.

I was concerned when the minister, in her presentation, mentioned all pensioners could get income support, and I presume she meant once they had got their five years' residential period in the Island, and I think that is important to get over because otherwise we end up with a situation where people believe they can get it straightaway; that is not the case and I hope the minister will, and I am sure she will, clarify that in her wind-up because I do think it is a fundamental point and I understand the minister was explaining the system but clearly that was a part that was overlooked.

The main reason, really, I am on my feet is because, whilst I fully support this and I think that we are very, very fortunate indeed that the department has gone forward, the attitude has changed, we have been able to identify how we can provide more financial support and provide this supplement - and one thing is may be we should call it the Manx pension supplement as against the pension supplement so that it is clearly a Manx one - I do think we should recognise, because I believe we should not underestimate, the amount of feeling in our community, though, from quite a substantial number of pensioners who are not eligible for this supplement. Based on the figures that we have - and I think I heard right - about 10,000 pensioners are eligible for this supplement. That means

that about 5,200 are not, and that is a large proportion of our pensioners who are not eligible for it and, as the hon. member of Council, Mr Delaney, mentioned, quite a number of these are people who were born on the Island but for many reasons worked off the Island and I have to say I have great difficulty and, as a former minister who understands a lot about the system, whilst I could explain how it works, I have to say I believe we have great difficulty in getting those who are not eligible who feel they should be eligible to accept and understand that they are not going to get this supplement.

I believe it is going to be an issue that is not going to go away (**Mr Delaney:** Hear, hear.) and I think that we just need to be conscious of that. If that is the fact - and I have to say this is the only concern I have - I do not know how the Island is going to cope with it in the future if changes are made to bring in all pensioners into the system. In fact, the only way the Island could do it, I suspect, is pay for it out of income tax, and I believe that is a real problem potentially facing Tynwald and the Government in the future, and I say that because I believe it has to be said. In fact, what concerns me is on our latest figures we have something like 36,000 persons in employment - that is self-employed and in employment - and we have 15,242 pensioners, so those 36,000 are earning the money to pay for the 15,000 to get their pensions, albeit that we are fortunate to be able to use the income generated by the national insurance fund to top up what we are doing, but we cannot ignore those facts because they are quite fundamental, because we are talking of small numbers, we are talking of substantial payments, and the implications are in themselves, at some stage, potentially quite difficult. The member for Peel mentioned that while it is easy to give, if there is a change for whatever reason - and it may be out of our control as an Island - do we claw back? And that would be a difficult decision to be made. Whether it is payments or anything else, benefits or whatever, that is the reality of what might face the Island many years down the road, and I think we have a responsibility today as parliamentarians to just be conscious of the potential future problems that may arise. It does not mean we should not do anything, but we should at least be conscious of it. I have to say I felt the best demonstration we have had of the fear I have was in fact the member of Council, Mr Delaney, who is not even answerable to the electorate but stands there and has made the point 'We are going to have to do something.' And that, to me, demonstrates the problem that is going to face Tynwald in the future, because I do not believe that the politicians in the future are going to be able to sustain the present system of saying to 5,000 or more pensioners, 'You cannot have anything extra' but for the bulk who are falling within the system, the 10-year rule, they will get this addition, and I think it is a potential and a real problem that is going to face Tynwald Court in the future, and I make the point because it is the one issue that concerns me.

I support the scheme, I have no problem at all with supporting the scheme, and I would say that, wouldn't I? But I do because genuinely we are able to help two thirds of our pensioners, but I believe we have to be very conscious of that other third of our pensioners who at the

moment are very aggrieved - and I say, very aggrieved - about the point that they are not eligible to get anything at all from the supplement, and I do not know the answer, and I made these points to the minister before. I think it is something the department has to be conscious of now, and I am sure the minister is, because it is an issue that is not going to go away, and I just make that point.

I welcome the scheme, I am pleased to be able to be somebody who can support such a scheme to help the people in our Island, but there are dangers and we should recognise those.

The President: Hon. member for Rushen, Sir Miles.

Sir Miles Walker: Thank you, Mr President. I rise to support this scheme and I do so because we have been assured - and we believe what we are told - that we can afford it, and so I think there is wholehearted support for the scheme as it is proposed today, but I have to say my concerns are raised listening to the hon. member, Mr Delaney; I understand what he was saying, and the hon. member, Mr Brown, because if we spread the net wider, Mr President, as you know as well as anybody else, we may not be able to sustain the provision of this supplement which is so important, and I do believe that we should stick to the principles that we have established. I understand the difficulty and I have shared the difficulty of explaining to our constituents what the situation is, but I do believe that over this period of time those principles are well established, and before we change them we should be absolutely certain in our own minds that we are not going to prejudice the situation that we all think is beneficial to our community.

Reciprocity was raised again by the hon. member Mr Delaney when he was on his feet and the basic pension provision in the United Kingdom as we reflect it in the Isle of Man, and why did we keep the link? I have to say, minister, just to balance up that little bit of the debate, I think it important that we keep the link. (**Mr Brown:** Hear, hear) I think it important on behalf of people who are Manx, who are Manx born and who go to the United Kingdom to work for a period of time and then return here. It seems to me important that that basic provision is not disturbed, and I also think it is important for those people in the United Kingdom who come here to work that they have some certainty about their pension arrangements, and I do not think we should lose sight of the importance of that. The importance of people from the United Kingdom coming here to work and whether we think there are too many at the present time or not is another issue, but I think the importance of that inflow of workers is underlined by the comment made by Mr Brown when he suggested that there were perhaps 36,000 workers on the Island as compared to 15,000 pensioners, in round terms.

Mr Brown: That is out of the policy document.

Sir Miles Walker: That is a dependency ratio which seems to be sustainable. If we go back, and not very long - 14 years or so - you may remember that there was almost 25 per cent of our total population over retirement age,

and the dependency ratio was getting into a situation where we were facing an unsustainable future - a terribly difficult time. That dependency ratio, remarkably, thank goodness, has shifted its balance the other way in the last 14 years, and the number of people in the graphs that are going to become retired over the next few years indicates a need to keep the economy going and to keep a large number of people employed in our community in order to pay future benefits, and some of us, hopefully, will be in a position to enjoy those future benefits in due course. So that dependency ratio is important and so, it seems to me, it is important to keep that reciprocity element for our pensioners.

This benefit that is being proposed today is a good one, it will benefit a large number of people, and that is fine. There is one person, if I may say - and individuals have been mentioned - who would have loved to be here for this debate today, and that is the guy who proposed a pension supplement in the first instance, against, I have to say, some opposition - Bernie May; when he was Minister of Health and Social Security he pushed for this scheme. Little, I think, in those days did he realise that it was going to grow as it has, but it was well thought out at that stage and I think, even though he is not here, he would be overjoyed to see the way the thing has developed. Thank you, sir.

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

Mr Lowey: Thank you, Mr President. It is remarkable really that the last four speakers, I suppose, are the more senior members apart from yourself, sir, of this Court, so we have seen the growth of this particular fund but, I think, again if we are looking back at this particular time, it would be remiss of us if we did not remember that we are talking here of the national insurance fund and how we have got a national insurance fund, because, remember, we were reciprocal with the UK when it was actually taken, and the man who is responsible for us having a national insurance fund is the President of the Council. He resisted the temptation in those days to actually get, when Mrs Thatcher did her remarkable feat of economic miracles in the early 1980s, of taking the national insurance fund and putting it in general revenue; we went along with him, by the way. I do not think we realised at the time what we were going along with but we went along with him and said, 'No, hands off, Treasury, leave it in a special fund.' And it has built up.

Now, there is a connection also of that fund and the investment. Yes, what goes up can come down. I think there is a feeling in the Court somehow that economic times are buoyant and there is only way stocks and shares can go: up, up, up, up, up. I am sorry, they can come down, down, down, down, too, but combined with that is the principle of full employment, and we have got full employment, so therefore the money is going in and very little is going out, so it is a combination of things.

But the minister has said today that we can afford this; her approach has been cautious and I am quite happy. The minister here today - and who would be the Minister of the Health and Social Security? - has announced to this

Court the best news for over 30 years. I have been here nearly three decades and I have never heard a better statement or a better increase for pensioners in the Isle of Man. That is good for the individuals, good for those families, over 11,000 of them, and good for the economy of the Isle of Man. Do not believe that most pensioners are sitting at home wondering where to invest their next £5,000. Most pensioners are using that money to meet day-to-day requirements; that is the truth of it. There are some pensioners that do that, but most pensioners will be very, very grateful for that, and that is why I am going to support the minister and her department.

Most of the debate we have had in this Court this morning is, 'Can we do more?' Of course we can do more and we would love to do more. The minister has said she believes this is sustainable, we can afford it, and down the road there will be others.

Now, I also welcome, minister, your move to move the goalposts and ease it a little bit more. I think what has not been highlighted here is that for those few numbers that may qualify for the tenth year, which has been explained in detail, even in that I think the minister and the department have been generous: they have said they will backdate it, they will postdate it. That is another example of what I would call easing the pinch on the shoe that has been imposed. But remember, hon. members, we are the ones that imposed it; we set up the scheme and we said that it would be 10 years. Now, a bit down the road our predecessors may turn round and say, 'Well, we will reduce that to five years because of the circumstances'. But that is a matter for them and I do not want to hide behind saying it is the DHSS's fault; it is nobody's fault. It is our decision to have set up the scheme on the proposals that were laid before us and we accepted that 10 years of contributions was the starting point and, as far as I am concerned, today we should be congratulating without reserve, and I do; it is not often I get up and I say that but I do. It is not often the minister can be even accused of being Father Christmas - or Mother Christmas, if she will forgive - it you know, she is announcing it in the season of goodwill - but I am certain that this will be appreciated by vast numbers and, yes, there are problems with those that do not qualify and I can understand that, but what I am doing this morning is supporting in full the best news for pensioners on the Isle of Man, for those that qualify, that I have heard in 20 years, and I think the minister and her departmental members deserve full credit for it.

The President: Hon. member of Council, Mr Crowe.

Mr Crowe: Thank you, Mr President. Yes, again I am very happy to support this, and the reason I indicated that I wanted to say a few words was about the reciprocal agreement and the benefits of that, although since I indicated my expression Sir Miles has commented on that. But I would reinforce how important it is because of the seamless transfer this gives for people on this Island who live in the UK for a period or people coming to work on this Island from the UK. In the private sector people find it very beneficial to come here to work because they know their pension rights on the state pension are protected, so again I would fully endorse the reciprocal agreement.

I just have a question on buying years of service. I am not sure whether Manx people now currently resident abroad - and they may be living in countries where there is no reciprocal agreement either with the Isle of Man or the UK, and I am thinking of countries in the Middle East or the Far East - may be able to buy years of service or back years of service that might give them this eligibility. I am not sure if it is covered in this scheme, but it is something the minister may like to comment on now or at a later time.

The President: Hon. member for Garff, Mr Rodan.

Mr Rodan: Thank you, Mr President. Just briefly, of course in welcoming wholeheartedly this major initiative by government to do something so positive for many, many pensioners, I feel I would still wish to put on record a measure of concern that has been expressed and shared by others this morning as to the fact that not all pensioners in our society are going to benefit from this major initiative announced this morning. We heard figures mentioned that perhaps around 5,000 of our pensioners, pensioners residing in the Isle of Man today, will not benefit from this morning's measure and we know already that amongst those 5,000 there will be those who, because of economic circumstances, were obliged to leave the Island and have returned to the Island; they will not benefit and they are asking, 'Why is it that we have faced the same living costs as other pensioners in the Island, but we are not getting this help?' It will include, as well, many women who by definition of difference in retirement age will not have had the opportunity to earn the necessary 10 years contribution period. (**Mr North:** Hear, hear.) They will not have had that opportunity and they will fall short. The minister does know, because I have raised it with her in the past, it includes persons who were conscripted into the armed forces many years ago as Isle of Man residents and started their lifetime of contributions not in the Isle of Man but in the adjacent isles. Those contributions, because of the scheme, are not recognised as contributing towards the 10-year period. They similarly lose out. There will not be too many of them but there are some.

Increasingly it will come to our notice as representatives of the public that there are those falling outside the system. Now, the minister has explained very well, and I think it is generally understood, that if you have a system and apply certain principles, regrettably there are going to be those that fall outside by definition; we understand that. But what is happening now - whereas before when the scheme started and we were talking about a Manx pension supplement of £5, was it? or £6, it went up to £7.50, the difference was not so marked and people were more inclined to accept it. But when we are talking about a difference of £30-plus, that is very, very marked and the phrase that is being used now and will be increasingly used is 'a two-tier society' and 'discrimination'. These words will be used more and more, unfortunately.

So what my plea would be - and it is to reiterate others this morning that have said the same thing - to look again at this 10-year period. We understand that by broadening it out you run the risk of dissipating the benefit but to look

again at it perhaps with a view to a graduated system. I know the department in the past did look at whether the system should be graduated but concluded that the 10-year cut-off point was a reasonable one. But because of the changes now in the actual payments being made I believe the case today is stronger to look again at having a graduated system and see if something could be done for those within that 10-year period, perhaps 5 years to 10 years, and to have a graduated system of payment so that the accusation, which I think we would regret, of a two-tier system of pensioners whose living costs are the same we could do something about.

The President: Minister to reply.

Mrs Christian: Thank you, Mr President. First of all may I thank hon. members of the Court for their general support for this provision, which I am sure is going to be widely welcomed. Hon. members, broadly speaking everyone appreciates the way in which the pension supplement is proposed to be restructured, and I too would like to pay tribute to those officers who have been instrumental in taking a fairly radical look at the way in which the pension scheme has been restructured in order that we can come forward today with these proposals which gives an immediate cash increase from next April, with the added benefit that we believe under actuarial conditions that the whole thing is sustainable in the long term and will not produce for future generations burdens which they cannot sustain.

Hon. members have focused on a number of specific aspects of the scheme, and I will endeavour to try and respond to those, but I would emphasise in the first instance that the whole principle behind all this entitlement to a supplement is a contributory principle. If you have not contributed to the Isle of Man supplement then you cannot expect to receive from it, and that principle will cover some of the issues that have been raised by other members.

If I could first of all go to the point raised by the hon. member Mr Waft in relation to whether or not people receive a full supplement in every circumstance, if that has been the impression given I would seek now to correct that. I would refer again to the contributory principle: In order to achieve a full state pension you have to contribute for a fixed period of years. If you do not contribute for that full period then your pension is pro-rated in accordance with the number of contributions you have actually made. Now, that principle also applies to the supplement, so if you do not receive a full basic state pension you will receive a reduced pension according to what you have contributed and your supplement will be on the same ratio as your state pension is paid. I hope that clarifies that particular issue.

With regard to married women, the position is that if they are receiving a pension on the basis of their husbands' contributions, that is a reduced state basic pension and again the contributory principle applies: their supplement is in ratio with the basic pension which they receive. If they have contributed in full in their own right, then clearly they will receive the full supplement if they are entitled in their own right to a full pension.

Now, hon. members have referred to the fact that there are a number of people in the Island who will feel disenfranchised because they are not going to be entitled to this pension supplement, and I hope the Court will bear with me if I perhaps give some detailed explanation now as to why that should be the case, because I do feel it is quite difficult getting across to the public at large the reasons why we do this.

The pension supplement, as hon. members are aware, is paid out of national insurance contribution income. Now, that income, depending on the performance of the economy, may, in due course, need to be supplemented out of the national insurance investment account. There are certain similarities between the United Kingdom and the Island in meeting state pension costs, and some members have referred to support ratios - i.e., the ratio between the elderly and the working population, pension recipients and pension contributors. And in the coming decades the extent to which national insurance contributions can be raised depends upon the buoyancy of the economy and that ratio. But after that the similarity ends. The United Kingdom state pension costs are met purely on a pay-as-you-go basis, today's pensions being met out of today's contribution income, and the hon. member for Council, Mr Delaney, did refer to a United Kingdom article which suggested that pensions could be linked to the average earnings factor,

Now, in reading that article my impression is that they have looked at one year. They have said, 'This year we have a surplus, we could match the earnings linking,' but one cannot do that unless you can guarantee it for the long term, because today's contributors who are paying those pensions will expect no less when it comes to their turn to be a pension recipient, and for that reason we are in an advantageous position, because the Island has built up a substantial national insurance investment account over the years, and tribute has been paid to the hon. Mr President with regard to his contribution in that (**Mr Crowe:** Hear, hear.) and we will be able to sustain a higher rate of pension than the UK in the coming decades for that very reason. We will be able, if our support ratio declines or worsens, to supplement the contribution income from that investment account.

The balance in that account has accumulated for various reasons, but partly because of the result of us imposing United Kingdom rates and having a surplus of income over payment of expenditure on pensions, due to a higher workforce participation rate than the United Kingdom, and lower payments therefore on unemployment related benefits. That has put us in the fortunate position of having the resources to make possible a pension supplement.

But where have those funds come from? They have come from people in this Island contributing to the Isle of Man National Insurance Fund. That money is contributed by people who have worked here, not people who have worked in the United Kingdom for a period of time, and that is why we are sticking to, at this time, this contribution rule.

In order to get the supplement, as we know, we are expecting people to satisfy an Isle of Man contribution condition. It would be quite wrong of us to pay from that

surplus a supplement to people simply because they are resident in this Island (**Mr Gilbey:** Hear, hear.) and because they pay income tax or other taxes. Now, if you want to give somebody something from general revenue because they contribute to income tax or other taxes, so be it, but I think we have to keep clear in our minds that the national insurance fund is ring-fenced. State pensions, both on the Island and in the UK, are essentially contributory and to qualify at all for a pension - and I think this point needs to be put across quite clearly - either in the Isle of Man or in the United Kingdom you have to pay contributions or have been credited with them for at least 10 years. So you can be in the United Kingdom and pay for nine years and you will not get basic state pension. Ten years is the minimum, and to qualify for the full pension you have to pay for 44 years, or credited, if you are a man and 39 years if you are a woman.

Now, hon. members have referred to people who might have gone to live somewhere else in the world and will they receive this supplement? It is standard practice in state pension arrangements throughout the world that a person is only awarded a pension if they satisfy the contribution conditions in the country in which they worked. If a person then retires to another country it is the responsibility of the former country, not the new country, to pay the pension. For example, if a United Kingdom contributor retires to Spain then he will receive a pension from the UK, not from the Spanish government. For people who have paid national insurance contributions in the United Kingdom but retired to the Isle of Man the same principle applies: the United Kingdom is responsible for their pensions. In actual fact we have a very beneficial reciprocal arrangement with the United Kingdom on social security. We actually pay those pensioners on behalf of the United Kingdom and claim back the money which we have paid out from them. For example, for the case of a pensioner who has worked half his life in the United Kingdom and half in the Isle of Man we recover half the pension we pay from the United Kingdom. If a Manx contributor retires to the United Kingdom from the Isle of Man, then the United Kingdom government pays that pension but recovers the cost from the Isle of Man. I hope, hon. members, that will make it clear that for these purposes the Isle of Man and the United Kingdom are separate jurisdictions.

Sometimes the country responsible for paying a pension will not pay it, or all of it, unless the pensioner is resident in that country. For example, the United Kingdom will not uprate a pension payable to a former contributor who has retired overseas unless there is a reciprocal agreement with that country. And the Isle of Man, to answer a point which has been raised, will not pay a Manx pension supplement to a pensioner unless that person is ordinarily resident in the Isle of Man. That is a qualification of the scheme, always has been and there is no proposal to change that.

I would argue, then, that this supplement is not discriminatory; it is quite clearly in line with the normal pension arrangements as between countries, as exists not only between the Isle of Man and here but between many countries in the world, and I do think that we need to bear that in mind.

Of course, in increasing the pension supplement, which I am sure is going to be very welcome we have also had

raised the issue about how this income will be treated in relation to income support, and I have indicated quite clearly that the income support rules will remain. Irrespective of where a person gets their income from, the income support provisions provide a safety net to say that if your income from whatever source goes below a particular level then we, from general revenue, will top that up. Now, it may well be that in increasing people's income in terms of their pension - and we clearly want this to be the case - many people will be taken out of the requirement to seek income support. However, we have also said that we intend to come forward with proposals in certain circumstances to raise that safety net level. Now, clearly some people who are going to be taken out of it by having an increase in their pension supplement will then come back into it because we have raised the level of the safety net. And we will hear from some members the call, 'You are giving with one hand and taking away with the other,' but we must bear in mind that there are two separate principles here. If it was not the DHSS which was paying pensions I suspect that the question would not arise in respect of one hand and the other. If it were coming from the Treasury, for example, the two might be considered in quite separate compartments and ways, but I do think it needs to be emphasised that pension is income paid out of contributory benefits in national insurance. Income support is a safety net minimum level which is set by this government paid out of general revenue.

Hon. members did ask for clarification on who is entitled to receive income support. I did, in fact, refer to this in my statement but perhaps it was swallowed up in all the rest; I did say that after satisfying the less stringent residential qualifications which exist within the income support scheme any pensioner living here would be entitled, regardless of contribution history. So I did refer to the residential qualification and my hon. colleague has confirmed that there is indeed a residential qualification for income support, but it is five years, not the 10 years which applies in relation to the pension supplement.

One of the significant features of this amendment is that we are breaking the link to earnings. Now, my hon. colleague, Mr Delaney, has on the one hand indicated that we are doing here what he has been seeking for some time. I would concur with him in a part interpretation of that: He has sought to increase the supplement, and we have managed to achieve that today, but I have to say that he and his APG colleagues have consistently in the past sought to introduce the earnings linkage and backdate it in accordance with the old scheme. Now, that clearly was not sustainable in the long term, and this new proposal redresses the balance on that and provides that we can achieve both the things that we are all after: one, to increase cash in hand to pensioners now who qualify, and two, to provide for sustainability in the long term.

There has been concern that we might be giving away now and then have to retract in the future, but the joy of this scheme is that we can give now and really truly believe that the way it is structured provides for sustainability in the long term. Every indication in the actuarial projections and in the options which were presented to the hon. members in the memorandum, indicate that on the

assumptions that have been made - and my hon. colleague indicated these are very conservative assumptions - even in 2061 we will have a fund there still of the same order as we have today which will sustain this level of benefit payment.

My hon. colleague, Mrs Crowe, has referred to pension rights, and I would endorse her remarks. Not only women but men too can get pension forecasts and should do so in order to make provision for the longer term. One of the features of this particular scheme means that whilst we are able to give more to pensioners in cash terms now, the change which we are bringing about will mean that what we were going to give in the medium to longer term - and my hon. colleague, Mr Quine, has referred to this - will not be as great as we had proposed under the old scheme but nevertheless it still will be 50 per cent over the basic, and I would assure the hon. member that even if he goes beyond the short to medium term there will still be what is a considerable supplement available to the pensioners of that time. I do hope it sees him out, Mr President! *(Laughter)*

Mr Delaney: Early or late?

Mrs Christian: Reference has been made to whether or not we are in control in relation to the base line here. Well, it is true that we have accepted the reciprocal agreement and we are recommending that that arrangement continues. I would say that it is under constant review and if there are, as time goes on, increasing complexities introduced by the United Kingdom, then clearly the jurisdictions of the day will look at that issue, but currently we have re-examined and feel that it is right for the time being. And, of course, they are setting the base line pension and if, by any miraculous chance, they move to an earnings linkage in the long term, that would pose a problem for us in relation to this supplement, but we do not believe that they are in a position to do that.

The other thing that we need to recognise is that comparisons are sometimes made with other countries where pensions are much more generous, but let us remember that their contribution levels are very much higher and they are facing insolvency in the long term because of the ratio problems that they have.

Mr President, I feel I am being a little bit long-winded on this -

Members: No, carry on.

Mrs Christian: - but I do feel that it is important that we try and get the message across to the wider public as to why we are doing it on a contributory basis, why we are applying a 10-year rule, why we are retaining the reciprocity and to emphasise that if we follow the route which is set out here we can with every confidence say that this is sustainable for those young people who are contributing today to today's pensioners. Thank you, Mr President.

The President: Hon members, the motion before the court is that printed at 16 on your order paper. Those in

favour please say aye; against, no. The ayes have it. The ayes have it.

Permitted Hours (Licensed Premises and Registered Clubs) (New Year) Order 2000 – Approved

The President: We turn then to item 17 on the order paper and I call on the Minister for Home Affairs, hon. member for Ramsey, Mr Bell.

Mr Bell: Thank you, Mr President. I beg to move:

That the Permitted Hours (Licensed Premises and Registered Clubs) (New Year) Order 2000 [SD No 693/00] be approved.

Mr President, this order before the Court will, if approved, enable all on-licence premises to remain open for a continuous period of 36 hours at the changeover to 2001, namely from 12 noon on New Year's Eve until 12 midnight on New Year's Day. For the millennium celebrations last year the Island relaxed its licensing hours from 10 a.m. on the 31st December to midnight on the 1st January. This extension to licensing hours proved very successful from both the licensing and the police perspective. The order will apply to all on-licence premises - that is, public houses, night-clubs, licensed restaurants and registered clubs; it will also apply to the casino. I must stress that this order only enables premises to remain open; it does not compel them to do so. Premises that do not wish to take advantage of the extended hours can close at any time they choose, but those who do wish to stage New Year celebrations will no longer have to apply for a special licence from the Licensing Court to do so. I beg to move.

Mr Duggan: I rise to second, Mr President, and in doing so the minister did mention that as it was successful this year I think it will be a lot busier than last year because I think New Year's Eve last year was a bit of a flop. *(Laughter)*

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

Mr Brown: Yes, Mr President, I am happy to support this, but I wonder, indicating by the comments from the member for South Douglas about the flop last year which of course was due to the nonsense of Isle of Man Breweries closing all their pubs at half past eight at night, which I think personally was a disgrace -

Mr North: And not enough taxis. *(Other interjections)*

Mr Brown: Well, that is a matter for local authorities, sir, not my department. I would ask the hon. Minister for Home Affairs, has he had any indication at all from any of the public houses, both independents and public ones owned by Isle of Man Breweries, that they are going to

actually stay open, or are they going to close again early? And also, are we going to have a repetition of last year where most of the pubs became private houses with ticket-only access? I have to say, I do not believe that was our intention and I, as a member of this hon. Court, felt it was an absolute disgrace that they actually treated the public who they rely on for the rest of the year in such a manner, and I hope he has an assurance this year that that will not happen. If he has not, then I think it is certainly something we should look at for next year.

The President: Hon. member, Douglas West.

Mr Downie: I would just like to make comment, Mr President. It is all right giving the flexibility out to the licensees and other people in the licensing trade to have these extended hours, but I think what really is required from the home affairs department is to have a co-ordinated approach with the other government agencies involved. It seems to me to be ridiculous that the last bus on Christmas Eve to Ballaugh or Kirk Michael leaves Douglas at half past five. If these places are allowed to open there is no means of getting people home. We have a bus service where the last buses leave the town at somewhere round about half past ten at night. Now, really I think we are creating a number of problems for ourselves. There is no back-up to the system and, whilst I will be voting for it, I think it is an issue that needs to be addressed if we are going to continually look at extending or relaxing licensing hours. It is a problem in the town because people do get frustrated, they cannot get home and, as has been stated previously by the hon. member for Castletown, we then get into a silly situation where some of the public houses just do not open for whatever reason they feel fit.

The President: Minister to reply.

Mr Bell: Thank you, Mr President. Can I thank first of all Mr Duggan, the hon. member for Douglas South, for supporting and seconding it. He is quite right that I am sure in most people's eyes the Millennium New Year was a complete flop not only on the Isle of Man, I have to say, but right throughout the United Kingdom. I was in London for the New Year celebrations and it was just as bad down there as it was over here, so it is not just a localised problem in that respect.

Mr Quine: They were living it up in Salford!

Mr Bell: Perhaps they were! The hon. member though, I think, touched on a similar point which the hon. member for Castletown has touched on, and that is, what will the brewery's policy be for the public houses this year? I have to say at this point because the measure has not been before the hon. Court until today I have had no assurances from the brewery or indeed from any aspect of the licensing trade that they will stay open, but I will just remind hon. members that the whole purpose not only this year but last year of this relaxation is not to compel anyone to stay open, it is simply to give flexibility to those licensed premises (A Member: Hear, hear.) who wish to stay open, and

flexibility can work two ways. It does not mean that they have to stay open longer; if the business is not there then they can close earlier than they ordinarily would expect to do. So that is the whole purpose of flexibility and what we are trying to achieve. But I certainly would hope that the licensed trade generally has learnt a clear lesson from last year's fiasco, and I think it was a fiasco because most people wishing to celebrate New Year, unless they had tickets to what was, in effect, a private function in a public house, really were totally unaware as to which licensed premises were going to be open, what time they were going to close and what they would find when they got there.

So I think we need, certainly, to expect the licensed trade to announce well in advance of the New Year precisely what their arrangements are. I would just add, though, in defence of the licensed trade that one of the biggest problems that they faced last year which I think generated the change of licensing operating hours was the difficulty of getting staff over that particular period, and those who did work were, or at least it was alleged, charging well above what they would normally charge for their employment. So again I think there needs to be a clear rethink, perhaps, on both sides as to what we will be faced with over New Year.

The hon. member for West Douglas I wholeheartedly agree with in terms of the absolute necessity, if we are to introduce flexibility to the licensed trade, equally of having flexible support from the Isle of Man Road Services and the taxi operators. The hon. member has raised this issue in relation to New Year's Eve, but I would stress that this is an all-year-round problem and it is one which needs to be addressed urgently. We have a new regime now running the bus service on the Island, and I very much hope that they will be more flexible and responsive to our requests, and I have to say that my department and the police have been in discussions with Isle of Man Transport on a number of occasions over the last two or three years to try and persuade them to put late night buses on. It happens in any other situation throughout the British Isles. There is no reason at all why we cannot come to a working relationship on the Isle of Man to ensure that there is adequate late night transport to deal with the demand of the public. That goes likewise, I have to say, for the taxi service. There are a great many taxi operators who will not operate after 11 o'clock at night, and if we are going to ensure that the travelling public are given the service they need, there needs to be a review perhaps by the licensing authorities as to how these taxi licences operate. If they are not prepared to provide the service that the customer expects, then they should not get their licence. It should be as simple as that, frankly. (A Member: Hear, hear.) We will, though - and I can give the hon. member for West Douglas an assurance - be continuing our discussions certainly with the bus services over the next few weeks to try and achieve an enhanced service not only for this New Year but for the foreseeable future.

I would just also finally add that one of the most frequent causes of problems on the promenade where violence is concerned in particular is more frequently generated by frustration by people waiting for transport to get off the promenade at 1 o'clock, 2 o'clock in the morning, whatever

it is, and the transport is not there. Actually the lack of transport has a specific and concrete impact on the level of public disorder on the promenade certainly over the weekend period, and we would seek urgently to address that.

But, other than that, I would thank hon. members for their support. We will again be monitoring this situation to make sure that it does work well and, if it does, I would hope it will become a permanent feature in the future. I beg to move.

The President: Hon. members, the motion before the Court is printed at 17 on your order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Import and Export of Waste Regulations 2000 – Approved

The President: Item 18, the Minister for Local Government and the Environment, the hon. member Mr Gilbey.

Mr Gilbey: Mr President, I beg to move:

That the Import and Export of Waste Regulations 2000 [SD No 695/00] be approved.

The removal of waste from one country to another for disposal or recycling - and I stress and re-stress, *recycling* - is subject to various restrictions under international conventions and other legislation. The Isle of Man is not self-sufficient in disposing of or recycling waste and must therefore take those restrictions into account in its waste management policies.

Hon. members may recall that the EC Waste Shipment Regulations, WSR, restrict the import of waste into member states for disposal and that accordingly imports of waste from a third country such as the Isle of Man into the United Kingdom for disposal are permitted only if that third country is party to the Basle Convention on the Control of Transboundary Movements of Waste or if a bilateral agreement between the EC or the UK complying with article 19 of the Waste Shipment Regulations is in force.

Such an agreement was concluded between the Isle of Man Government and the United Kingdom Government in 1996 and expires on 31st December 2000 - this year. The UK Government has indicated that it is not prepared to renew the agreement after that date. It is therefore necessary, indeed essential, if the export of waste from the Isle of Man to the UK for disposal is to continue after that date for the Basle convention to be extended to the Island.

The necessary steps to enable the Basle convention to be extended have been agreed between the Department of Local Government and the Environment and the UK Department of Environment, Transport and the Regions, DETR, and include the approval by this hon. Court of these regulations now before it. These regulations firstly prohibit all imports of waste into the Isle of Man except where the

Basle convention requires waste initially exported from the Island to be returned. Secondly, the regulations prohibit the export of waste to non-OECD - that is, Organisation of Economic Co-operation and Development - countries. In addition, they also set up a procedure for the authorisation and notification of exports of waste from the Island which complies with the convention and other relevant instruments.

In addition to this order, action is also required by the Council of Ministers and includes a direction by the Council of Ministers to the Department of Local Government and the Environment to act as competent authority of dispatch and competent authority of destination for the purposes of the convention and in exercising their functions to comply with the requirements of the convention and other relevant instruments; also, a resolution by the Council of Ministers designating the Secretary of State as the competent authority of transit as the convention requires the state party to have a single competent authority of transport and the Secretary of State is already that authority for the UK; and finally, a formal request by the Isle of Man Government to the UK Government via the Home Office to have the convention extended to the Isle of Man.

Hon. members have, of course, been circulated with an explanatory note which provides additional background information.

Mr President, I beg to move this resolution, which is quite essential if we are not only to be able to export from this Island waste which we cannot deal with at all here - that is, dangerous waste - but also if we are to export from this Island waste to be recycled. I beg to move.

The President: Hon. member for Ayre.

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

The President: Hon. member for Peel.

Mrs Hannan: Thank you, Eaghtyrane. I wonder if the minister in his closing remarks could confirm that it is the policy and indeed the wish of the Department of Local Government to increase recycling, to become more active with regard to recycling and encourage people here to recycle on a regular basis, not only that but things that are placed for recycling are indeed actually recycled to put some confidence back in the people that do, but also to advertise the fact that we should be doing much, much, more to recycle all that we possibly can, and I hope the minister can confirm that in his closing remarks and get on with doing that.

The President: The minister to reply.

Mr Gilbey: Yes, Mr President, I am very pleased to reply but I am sad that my hon. colleague and friend, Mrs Hannan, just seems unable to accept the almost endless reassurances that the department and I and other members of the department have given that we are absolutely and totally committed to recycling as much as we possibly can in every possible way, and not just recycling but bringing

about minimalisation, reuse and recycling, but I am happy to give her a further assurance. I do not know what more I can do. We are working flat out on this and we shall be making a report to this hon. Court in a few months' time setting out our further proposals for this including our consideration of such things as the possibility of kerbside collections et cetera.

Mrs Hannan: Good.

The President: The motion, hon. members, is printed at 18 on the order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Collection and Disposal of Waste Regulations 2000 – Approved

The President: We turn to 19. Hon. member Mr Gilbey.

Mr Gilbey: Mr President, I beg to move:

That the Collection and Disposal of Waste Regulations 2000 [SD No 696/00] be approved.

These regulations make provision for various matters concerning the collection and disposal of controlled waste under part 4 of the Public Health Act 1990; in particular, the definitions of 'controlled waste', 'household', 'industrial' and 'commercial' are further defined. Regulations 3, 5 and 6 provide that certain descriptions of waste are to be treated as household, industrial and commercial waste respectively for the purposes of part 4. Regulation 4 prescribes three types of waste which are not to be treated as household waste for the purpose of section 58(1), which section enables waste to be disposed of in the curtilage of a private dwelling without a disposal licence. In addition, regulation 7 and schedule 4 describes ways of dealing with waste using plant or equipment for which a licence is required. Regulation 8 and schedule 5 prescribe cases of waste disposal which do not require a disposal licence.

These regulations form part of a framework of new subordinate legislation being progressed under the Public Health Act 1990 following the introduction of the Public Health (Amendment) Act 2000. The new regulations will introduce improved procedures for controlling the collection and disposal of waste. In addition, regulation 7 will mean that a licence will be required for the use of the plant or equipment for dealing in a prescribed manner with controlled waste, and this provision would cover the proposed integrated incinerator (energy from waste) facility and already the department is talking about the latter matter with the UK environmental agency. Mr President, I beg to move.

The President: Mr Quine.

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

The President: The motion, hon. members, is printed at 19 on the order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Body-Piercing of Minors (Prescribed Form) Regulations 2000 – Approved

The President: Item 20, Minister for Local Government.

Mr Gilbey: Mr President, I beg to move:

That the Body-Piercing of Minors (Prescribed Form) Regulations 2000 [SD No 606/00] be approved.

Hon. members will recall that in March 2000 a private member's Bill was introduced into the branches, the Body Piercing of Minors Bill, by the hon. member for Ramsey, Mr Singer, to whom the Department of Local Government are indebted for his initiative on this matter. The purpose of the Bill was to insert an additional section in the Local Government (Miscellaneous Provisions) Act 1984 which would make it an offence to carry out body-piercing subject to certain exemptions on medical grounds on a person under the age of 18 years except with the written parental consent on a prescribed form. Royal Assent to the Bill was subsequently announced in the October Tynwald. Indeed, we had hoped we would get the Royal Assent before so that the order now before us would have been moved in October, but unfortunately it had to be delayed because of the delay in Royal Assent until this sitting of this hon. Court. The Body-Piercing of Minors (Prescribed Form) Regulations 2000 prescribe the form to be completed by the parent of a person under the age of 18 before that person undergoes any body-piercing. Mr President, I beg to move.

The President: The hon. member for Ramsey.

Mr Singer: Thank you, Mr President. In seconding this may I thank the minister for his kind comments and can I tell him that I am pleased it is coming forward now and that only recently I again came across a case where, despite the protestations of all the body-piercing shops, or whatever you want to call them, on the Island, a young person well under the age of 18 had been body-pierced without parental consent and the mother was very upset. So I am very pleased that this is now going to come into force.

Could I ask the hon. minister, just as a matter of clarification, whether this form will be in duplicate or triplicate or whatever in order that a copy, whilst being retained on the premises of the body-piercing establishment, will go back to his department for their records, if necessary, to marry the two up or, if not, how long will this form have to be kept on the body-piercing establishment premises for inspection if necessary? But subject to those answers I am very pleased to be able to second this item.

The President: Hon. member for Douglas South, Mr Duggan.

Mr Duggan: Mr President, could I ask the minister, do any inspections take place on these places where body-piercing and tattooing is going on? I think they should be inspected, especially where needles et cetera are concerned.

The President: Mr Brown.

Mr Brown: Yes, just a couple of comments, really, which I would hope the minister could look at. Whilst I welcome this order, could I ask the minister - because I suspect it is not a matter than has to be incorporated in the order - when we have the actual forms which are laid out in the schedule here that actually go out, there are two important factors, I believe, that should be on that form and I would just ask the minister to look at putting this on. One is to make it clear that it is actually an offence with a fine of up to £2,500 to fill the form out falsely, and the second is to make it clear that, where a person under the age of 18 is married, then they do not require their parents' consent. Those are two important factors that are in the legislation and, whilst they do not have to be part of the actual form, I think it is important that it is clear on the form it is an offence to actually falsely fill in the form and secondly, that a married person under the age of 18 does not require parental consent.

The President: The minister to reply.

Mr Gilbey: Mr President, the question of how long the forms will be kept - I have not got readily the answer to that, but of course the firm would be extremely stupid if they did not keep the form a reasonable time. The onus is on them, when they get someone applying and they think they are under 18, to either ask for a birth certificate or a marriage certificate or to get the form, and they should say if they have any sense at all that they will not undertake the body-piercing without one of those three documents and I have seen, although I have not got it with me, a letter that has already been drafted in readiness to send out to these people who do this work. There are not, in fact, very many of them. Again, I have not looked into the question of whether we would keep a copy. As I see it, that is not really necessary. The really important thing is that they should be able to prove they have permission if someone claims, and it would seem to me really rather unnecessary bureaucracy for us to be keeping copies of these forms. Certainly I think the letter has made it quite clear that it is a criminal offence to undertake this occupation without getting consent for people under 18. That is in a letter that has been sent to acupuncturists, and there are not very many of these people. I should guess - and Mr Singer might know better than me - there are only half a dozen in the whole Island.

Mr Singer: It has to go to anybody who does any piercing at all.

Mr Gilbey: But I do not think there is really anything more for me to say other than we welcome this and I hope it will get considerable publicity so that no-one is in any doubt about it, and certainly, as I say, a letter has gone out.

Regarding the point of health checks on these people, of course that is a duty of the environmental health division to go and check on all the places, including tattooists as well.

The President: The motion, hon. members, before the Court is printed at 20 on your order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Customs and Excise (Community Instruments) (Application) (Amendment) Order 2000 – Approved

The President: Now, item 21, and I call on the member for Treasury, Council member Mr Radcliffe, to move.

Mr Radcliffe: Thank you, Mr President. I beg to move:

That the Customs and Excise (Community Instruments) (Application) (Amendment) Order 2000 [SD No 621/00] be approved.

This order is of a technical nature and it implements some of the provisions of an EEC Council directive regulation which established the system for the collection of intracommunity trade statistics known as Intrastat. The new regulation will allow scope for some simplification of the Intrastat system, and traders will be required to submit rather less data than before and will eventually be allowed somewhat longer to submit their returns. As I say, Mr President, it is a technical order, this one, and I beg to move.

Sir Miles Walker: I beg to second, sir, and reserve my remarks.

The President: The motion, hon. members, is printed at 21 on the order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Hydrocarbon Oil Duties Act 1986 (Amendment) (No.2) Order 2000 – Approved

The President: And again similarly with 22 I invite the member for Council, Mr Radcliffe, to move.

Mr Radcliffe: Thank you, Mr President. I beg to move:

That the Hydrocarbon Oil Duties Act 1986 (Amendment) (No.2) Order 2000 [SD No 542/00] be approved.

This order deals with hydrocarbon oil duties, and the purpose of the order is to make various amendments to the Hydrocarbon Oil Duties Act 1986 and these changes are

analogous with those made to corresponding United Kingdom legislation by means of the Finance Act 2000. There is little to say about it, Mr President - technical again, and I beg to move, sir, that this item be approved.

Sir Miles Walker: I beg to second, Mr President.

The President: Seconded by Sir Miles. The motion, hon. members, is printed at 22 on the order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Fixed Penalty Offences Order 2000 – Approved

The President: Item 23, the Minister for Transport.

Mr Brown: Thank you, Mr President. I beg to move:

That the Fixed Penalty Offences Order 2000 [SD No 697/00] be approved.

The Fixed Penalty Offences Order 2000 amends the table of fixed penalty offences at the end of schedule 5A to the Road Traffic Regulation Act 1985. That table in the Act can be amended by order by virtue of the powers contained in paragraph 3(2) of the schedule 5A. The table of fixed penalty offences is to be amended by the order in respect of three matters: firstly, with regards to moving traffic offences on pedestrian crossings. New puffin crossings are added to the zebra and pelican crossings. As with pelican crossings, it will be a fixed penalty offence not to stop when required to do so by the traffic lights. This brings fixed penalty offences up to date as regards pedestrian crossing types and to protect the safety of the pedestrian. Secondly, with regard to offences of contravention of parking place orders, the reference in the table in schedule 5A to contravention of parking places orders is clarified by separating out the specific reference to offences by drivers committed under section 14(b)(i) of the Road Traffic Regulation Act 1985. This is in relation to on-street parking places such as disc zones and reserved parking places designated by parking place orders made under section 14 of the Act. Thirdly, with regard to offences relating to display of registration marks, the existing fixed penalty offence of not displaying a registration mark on a mechanically propelled vehicle in the manner prescribed by regulations will be supplemented by the offence of failure to display a registration mark and of displaying one which is obscured or not easily distinguishable. Mr President, I beg to move the motion standing in my name.

Mrs Hannan: I beg to second and reserve my remarks.

The President: Hon. member for Onchan, Mr Cannell.

Mr Cannell: Yes, thank you, Mr President. I think it was the second of the three categories which would evoke the most interest from members of the public because we

have heard of the difficulties the department has faced with the imposition of parking fines in respect of disc parking zones, particularly within the area of Douglas, and I would like to know how the problem is going to be addressed to make good the difficulties which they have faced in extracting or having extracted moneys from people who were fined erroneously.

Mrs Hannan No, they were not.

Mr Cannell: If indeed this is the circumstance, perhaps the minister would confirm it and how he intends to address it because, unless I am on the wrong order here, it is my understanding that certain persons have paid fixed penalties to which they were not being forced by law and many have gone further than that and have had the next stage of action taken against them and, in some extreme cases, I understand that there has been contemplation of a custodial sentence being served in respect of non-payment of fines.

Now, clearly this leaves the way open for litigation to be mounted by those people, and I would like an assurance that the department now has tidied this situation up because the thought that the Island for whatever acceptable reason. . . Mistakes occur; I am not trying to condemn anybody who had the legislation. We all passed it presumably in some form or other, but I would like to know what are the circumstances where somebody might easily submit a claim to cover a custodial sentence with all the incumbent provisions that that might entail, because that could easily ensure that the person lost his job if he was a driver, or in fact if he was anything. He also could have had family circumstances which might have changed by a custodial sentence arising from non-payment of fines, and not for a moment am I suggesting that the person who declined to pay the fines was certain of the law and did it because he was challenging the law; Probably he or she decided not to pay the fines because they did not fancy paying them or just could not be bothered, but at the end of the day, if anybody has been clapped up in irons for not paying parking fines - and now we find that those fines were imposed erroneously - then we are going to have to do something about it.

Then you have the lesser problem of those who are just habitual parking offenders, and we know who some of those are. They have spent a fortune in parking fines - considerable sums of money at £20 a throw. Some people down the quay area of Douglas just did not bother. They work for an office. The office picks up the tab and they are paying hundreds of pounds in parking fines. Then there is the third category of the occasional offenders. How and why and what record, and how are we going to resolve the fact that money has been extracted from people who did not actually have to pay it?

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

Mr Quine: Yes, a very short, general point, sir. I am happy to support the order. My concern is that I still believe we have not gone far enough in our application of the fixed penalty concept either in relation to traffic offences or in relation to other minor summary offences which are outside

the field of traffic, (**Mr Houghton:** Hear, hear.) and I would just take this opportunity to invite the minister to perhaps look once again at the question of minor traffic offences which can be dealt with by this process and indirectly to invite the Minister for Home Affairs to do likewise in respect of the police because if you have got these days a very scarce resource in terms of your wardens and your police officers, you do not want them tied up in paper, you do not want them sitting around courts, you want them out on the street and, generally speaking, the fixed penalty ticket system . . . because after all nobody is forced to pay it; you can sit still and you go to court and you can have your day if you so wish, but it does represent a better use of the scarce, generally inadequate resources, because the demands are always increasing, which are available either in terms of the traffic wardens, traffic regulators or the police officers. So I would invite both ministers to look once again to see if this can be taken further.

The President: Member for Council, Mr Waft.

Mr Waft: Yes, Mr President. I wonder if the minister might like to make some comment. It was discussed previously in this court with regard to the number of men that his department will have on the roads with regard to the IRIS scheme, and there was concern expressed that perhaps the speeding fines could be increased for those areas where men are actually working from your department.

The President: Mrs Hannan.

Mrs Hannan: Yes, could I just follow on from the comments made by the member for Onchan? Offences have been committed. I think the member for Onchan was suggesting that, because we have not got the fixed penalty fine and because it was not clear, offences were not committed. Offences were clearly committed and if a ticket was given and they paid that ticket, in a way you could look at it from the point of view - yes, we should not have received that fine on a fixed penalty, but it would have meant them going to court for that offence; it would have meant legal fees, it would have meant court time, time off from work, so it is all those added expenses and if someone does not agree with the ticket they can in actual fact appeal against it; they can go to court. So there are all sorts of issues which could arise here, but if you have parked illegally, parked on yellow lines, parked over your time, all of that, yes, it is an offence.

The President: Minister to reply.

Mr Brown: Thank you, Mr President. The hon. member for Peel, Mrs Hannan, who oversees highway and traffic, I think, has responded to the point raised made by the hon. member for Onchan, Mr Cannell, and I would say that an offence was still committed and therefore I think the member has clarified that.

As far as the extending the provisions as raised by the hon. member for Ayre, Mr Quine, I am quite happy for our highway and traffic to look at that issue. Certainly fixed

penalty fines are an effective way of managing offences and I will ask the highway and traffic to see what else we may be able to extend that to.

As far as the roadworks are concerned, that was certainly an issue which I have been reasonably keen to see if it is effective to do. Our difficulty, of course, is policing it because we sometimes have a difficulty generally in that area, but it is an issue that I am quite happy for us to see whether or not we can do anything on. The idea was doubling the fine where somebody exceeded, for example, as they do with most roadworks, a 20-mile an hour speed limit, going past where men are working, but again I will ask highway and traffic to revisit that issue. I beg to move.

The President: The motion, hon. members, is printed at 23 on the order paper. Those in favour please say say; against, no. The ayes have it. The ayes have it.

Mr Cannell: Mr President, I wonder if you would be disposed to ask the learned Attorney-General if the hon. minister's reply is a case that it is still an offence for a parking fine -

The President: I think, hon. member -

Mr Cannell: - to happen without the backing of a penalty.

The President: Hon. member, if you wish to follow that up I am sure that you have time to follow that argument up later. I think it is now appropriate that the Court should adjourn and adjourn until half past two and that we will recommence at item 24.

The Court adjourned at 1.09 p.m.

Highway Diversion (Meary Veg, Santon) Order 2000 – Approved

The President: Hon. members, we continue with our order paper at item 24 and I call on the Minister for Transport to move.

Mr Brown: Thank you, Mr President. I beg to move:

That the Highway Diversion (Meary Veg, Santon) Order 2000 [SD No 670/00] be approved.

The purpose of this order is to divert a short length of public right of way, number 317 at Meary Veg, Santon, away from the farm street so that it runs through an adjacent field for a short distance on the other side of the farm buildings. This to ensure that when the sewage works are being built and in use there is no conflict between traffic from the sewage works and pedestrians walking along the footpath to or from Santon Head.

Planning application number 99/2048 was approved at review on 7th June 2000, to which the Meary Veg site applies. The order was made on 12th October 2000 and, in

accordance with section 33(3) of the Highways Act 1986, is brought before Tynwald Court today for approval. If Tynwald approval is given, the order will come into operation on 1st April 2001. I beg to move.

Mrs Hannan: I beg to second and reserve my remarks.

The President: The motion, hon. members, is printed at 24 on your order papers. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Sheep and Goats Identification Order 2000 – Approved

The President: We turn then to 25 and I call on the Minister for Agriculture, Fisheries and Forestry to move:

Mr Downie: Thank you, Mr President. I beg to move:

That the Sheep and Goats Identification Order 2000 [SD No 699/00] be approved.

EU Council Directive 92/102 makes provision for the identification and registration of animals. The department has already introduced in 1998 requirements for the marking and tagging of cattle. This order further fulfils the Isle of Man Government's obligations under the directive by extending the requirements for identification and marking to sheep and goats as from 1st January 2001. Its introduction is necessary to allow trade between the UK and the EU to continue. Similar provisions are being introduced in the UK at the same time.

Under the order the department is required to keep records of all holdings where sheep or goats are kept and will use as a basis the annual agricultural census, which requires all occupiers of land to record their livestock on farm as at 4th June in each year.

Sheep and goats are required to be tagged with a coloured metal disk or plastic tag carrying the prefix 'UK' followed by the flock mark or herd mark of the holding of birth or residence. Tattoos incorporating the flock mark or herd mark are acceptable as a means of identification. There is no requirement for individual numbering of the animals. The flock mark will be issued by the department and will be similar to the existing holding number issued by the department for the purposes of cattle identification and marking. Holdings which only carry sheep will be issued with a new holding number by the department which will then become the flock mark or the herd mark.

Unlike cattle, which are required to be marked within 28 days of birth and notified to the department in order that the beast receives a passport which accompanies it whenever it moves, this order requires that sheep and goats are tagged or tattooed as soon as possible, but before they move off the holding of birth or residence. Movement for veterinary treatments, dipping and shearing, going to an agricultural show or between holdings in the same ownership does not require animals to be pre-marked.

Movement records are required to be kept by computers when sheep and goats leave the holding, showing the

holding where the animals are going, the date, the number involved and the flock mark or individual identification number. This document is transferred to the new owner, who in turn records the arrival of the sheep or goats on to his particular holding. These records are not maintained or transmitted to the department, but are required to be available for inspection.

In considering the practicalities, the department has made provisions for sales of sheep at auction marts when it will be permissible to use the lot identification and sale documentation as the movement record. The department has provided for colour-coded tags or tattoos to be issued to differentiate between those animals born before or after the implementation of the legislation. Animals born before 1st January 2001 are to carry a green tag and those born after 1st January a yellow tag or tattoo. Animals which lose a green tag are required to be tagged with the same colour tag as originally present. Animals which lose a yellow tag where the flock of birth is known can be replaced with another yellow tag. If this is not possible a replacement red tag is required and tags are only required in one ear.

Sheep and goat keepers are to be issued with a movement book by the department in order to provide a uniform means of recording movements in and out of flocks and between separate holdings.

The introduction of this order will make traceability of sheep and goats straightforward where cases of disease outbreaks occur and will permit the Island's continued trade in live sheep.

As the provisions for sheep and goat marking are to be introduced in the UK at the same time, all sheep and goats imported must be marked in accordance with the EU directive. Flock masters already mark their sheep through a painted flock symbol (**Mr Delaney:** Hear, hear.) but this is not sufficient for identification purposes under this order.

All sheep are presently tagged prior to entry into the meat plant in sequential numbers issued by the Fatstock Marketing Association. These do not have a holding number or flock mark and are intended for management and payment purposes and do not comply in their present format with the requirements of this order. Unlike cattle tags, which are sourced and paid for by the department, it will be the sheep and goat keepers' responsibility to obtain the tags for use under this order. Thank you, Mr President, I beg to move.

The President: The hon. member for Douglas North.

Mr Henderson: Thank you, Mr President. I beg to second and reserve my remarks.

The President: The hon. member for Council, Mr Radcliffe.

Mr Radcliffe: Thank you, Mr President. I really cannot let this order pass without some comment and certainly some questions. (**Mr Delaney:** Hear, hear.) The industry, or parts of the industry certainly, are short on information as to what this order really requires, and it is interesting to hear the hon. minister say that all producers who fill in a June return are supposed to have received an information

pack of some sort. Well, I know to my certain knowledge there are producers who have not received anything at all, and they are the ones who are getting quite excited about this whole exercise. And I can name them if the hon. minister wishes.

Tagging and marking of sheep - sheep's ears are going to be perforated like . . . well, I do not know what, because a lot of sheep already carry marks in their ears, the beams, the bars and the ollaghans which are used in hill sheep marking, and now we are going to have these other tags for an ear, which is not a very big thing in a sheep anyway, **(Mr Delaney: 'Ear, 'ear.)** *(Laughter)* tags which are going to be green or yellow or, if need be, red, followed I suppose by indigo, violet and God knows what else.

But I would ask the minister a question: the yellow tags which are supposed to be coming in after 1st January next - are they going to last for years or is the colour going to change every year? Some producers are certainly worrying about that.

These tags are probably going to cost between 12 and 15 pence each and the minister has already stated that the department will not be purchasing them as they do with the cattle tags, and it is going to mean that flockmasters and small producers, more particularly, will probably have to buy batches of at least a hundred of these tags for the manufacturers to put the flock numbers and all the rest of the information on them, and it is a disappointment that the department, which is pressing this onto people, is not willing, it would appear, to assist financially.

Some producers or some flockmasters are under the impression that they are going to have to tag the whole flock as cattle are tagged - that is, tag them as soon as possible after birth, and every animal in the flock will carry a tag from 36 - 48 hours after birth. As I read the order - and I may be reading it quite wrongly - it would appear to me that it is only when they leave the farm that the tags are required to be on, and perhaps the minister can reassure me on that point. *(Interjection and laughter)* Nearly all the sheep on this Island go for slaughter on the Island; whether they are young sheep or old sheep, the majority of them finish up at the abattoir, and they have to be tagged there, as the minister has already said, and I wonder why it is not impossible to contrive some sort of mark which would do both for fatstock identification and the identity that the department is seeking.

The tags which we are going to have to put on them to go into the abattoir are just going to disappear probably after they are killed anyway, and as far as that goes, there is no carcass ever goes from the abattoir to the butcher with the head hanging on, so there is no way you can trace them once it is a carcass anyway. I think they are just making endless problems for producers and themselves. Then I am quite sure there could be a combined Marketing Association and DAFF tag. Has this been looked at at all, I ask again? And, as I say, once the animal is slaughtered and the carcasses grouped together, any traceability, I would say, will disappear because the tags will just have gone to Litt's or wherever and the earmarks gone with the heads to there.

Records are to be kept, Mr President - quite firm on that - but the producers I have been talking to have been

very unclear as to where and how these records are to be kept. Some were saying the back of an envelope will be the thing because there is no mention of a record book being provided, and it is again a point which is certainly bothering some of the people who keep sheep.

I am told that there has not been a vast amount of consultation over this exercise. Rightly or wrongly, I am told that the Manx National Farmers Union, which certainly would have an interest, had a draft of an order and they made comment on that draft, but they had no chance to comment at all on the final order because I am told they only got a copy of the final order over a week after it had been signed, so it is fait accompli before the final order anyway.

It says in the explanatory memorandum that this tagging exercise is needed for trade in live goats and sheep, and that is quite specific on the explanatory memorandum we have here. I suppose it is fair enough for that trade, live animals off the Island, but in view of the fact, as I say, that most sheep go off the Island in carcass form, I really cannot help but wonder why people should have to undergo this exercise. I ask the minister, would it not have been sufficient for only those who export live animals to have to submit to this new regime?

It appears to me and to others, Mr President, that once again the Isle of Man seems to be jumping to obey each and every Community directive, regarding agriculture particularly, and I think finally that this is more bureaucracy imposed on a very, very sick and ailing industry, and certainly I do not think it is going to help matters one bit. It is just bureaucracy gone mad again.

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

Mrs Crowe: Thank you, Mr President. Recognising that I do not have the detailed knowledge of the hon. member for Council, Mr Radcliffe, could I just ask the minister, does this provision apply to our indigenous breed - that is, the loaghtan sheep - which seem to be rather second-rate in the eyes of the Department of Agriculture at present and, if indeed it does, do they get a red tag, a yellow tag or a tag combining both Manx colours?

Mr Cretney: Yes, in a three legs shape!

Mrs Crowe: Yes.

The President: The hon. member for Douglas South, Mr Duggan.

Mr Duggan: Thank you, Mr President. On a similar line, sir, a friend of mine has got some loaghtan sheep, and could the minister clarify whether or not - he has got them more or less as pets - they will have to come under this order? I do not know. Will he have to adhere to the regulations? *(Interjections)*

The President: I call on the minister to reply.

Mr Downie: Right, hon. members, could I say from the outset that this is not an issue of the department's

making, but it has been an EU requirement for the last five years and the UK have now been told by Europe to implement the legislation and they in turn have told us that should we wish to continue to trade with the UK and the EU we have no other option but to comply, and what the department has done is sit down with the industry, with the flockmasters, the NFU and other interested parties and try to come up with a solution which will not lead us to introducing a system which will be overbureaucratic or onerous.

Now, the hon. member for Council, Mr Radcliffe, said that the industry was short of information. I am prepared to accept that and am prepared to advise him that once the order is approved today, provided it gets Tynwald support, we will be hosting a number of seminars at Knockaloe and we will be sending a lot more information out to the various holdings, but the issue has been discussed for about three to four months and this is why we have been able to look very closely what we do and perhaps come up with a much similar system.

You did mention, Mr Radcliffe, about the colour change. There has to be a lead-in period and a cut-off point, and that is why we have a different colour tag for sheep and goats born before the order and then a yellow tag for sheep and goats born after 1st January 2001, so we know then which particular animals are born in which year. We do not then intend to change the colour of the yellow tags; they are the ones then which will run to show that they are animals which are born within the new system.

Members will be aware that the FMA in the meat plant, when a lamb is going off to slaughter, issue tags which the farmer then applies and then, when the animal is slaughtered, there is an identification process which they go through to allocate the payment and the grade to the various farmers. We have looked at ways in which it may be possible to marry the two schemes together by the addition of different numbers but to date there has been some reluctance on some of the manufacturers to provide us with much broader-based information on the tag. We could have gone for a different system entirely and we could have introduced a system of electronic tagging and a system where animals could have been bar-coded, but that would have been very, very expensive, *(Laughter)* so that is why they have come up with a simple type of system - well, you would 'bar' code a baa lamb, wouldn't you? *(Laughter)*

Tagging will not be required until any of these animals leave the holding of birth, so for the sake of lambs going off to slaughter the particular herd marking can be done at the time that they are rounded up to send off to the abattoir or, if they are going to shieling sales and things like that, when they are herded again they can be tagged prior to going on to the sales and, as I stated, the documentation that the auctioneers provide - the invoices and so on - will be acceptable.

Now, the hon. member asked what sort of books or records are to be kept. There is a copy of the Sheep and Goat Record Book to be issued to every farmer who has sheep and goats, so right from day one he will be able to put the information about his holding in the book and any of the movements which take place.

Now, as I said in my opening remarks, we are not wanting to introduce orders for animals going to shows or going somewhere else to be dipped; it is only when they actually leave the holding on a permanent basis, when they are going on to be sold, and then the department will have a list of the various farmers and a list of all their flock mark numbers and so on.

In my opinion we do need this legislation. In fact, if we are going to continue trading in sheep and goats with the UK and Europe, we have no other option but to go along with this system and, as I speak at the present time, the Welsh are looking at a system, as indeed Scotland is looking at a very similar system to our own.

I am prepared to provide some additional information, particularly to Mr Radcliffe, and if he would like to furnish me with a list of people who say that they have not had sufficient information I will arrange for one of our field officers to call on these people and provide them with as much information as they possibly can before the introduction of the system.

The hon. member for Rushen, Mrs Crowe, said, are these rules to apply to our indigenous breed? Indeed they do; they apply to every sheep and goat living on the Isle of Man, including the one goat that is owned by the Chief Minister. So nobody will be exempt -

Mrs Crowe: I do not mind him - he is not a constituent! *(Laughter)*

Mr Downie: - and every sheep and goat has to apply and, in Mr Duggan's case, even sheep kept as pets. It is an animal health issue and it is important.

Now, you could say 'Why? What is the reason behind all this?' but if there ever was an outbreak of disease, at least we would have a system in place which affords some traceability and we know where animals are, and I think over the next few months the Isle of Man can feel very proud of all the trouble and trauma that the industry has gone through with the cattle marking, because you can see now that the French and other countries who have not adhered to the rules are finally falling foul of the system. So with that, Mr President, I beg to move.

The President: The motion, hon. members, is printed at 25 on the order paper. Will those in favour please say aye; against, no. The ayes have it.

A division was called for and voting resulted as follows:

In the Keys -

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

Against - None

The Speaker: Mr President, the motion was supported by the House of Keys, 20 votes in favour, no votes against.

In the Council -

For: Messrs Lowey, Waft, Kniveton, Mrs Christian, Messrs Delaney and Crowe - 6

Against: Mr Radcliffe - 1

The President: With 6 for and 1 against in the Council, the motion before the Court therefore carries, hon. members.

Sea-Fisheries (Technical Measures) Bye-Laws 2000 – Approved

The President: We turn, then, to item 26 on the order paper and again it is in the hands of the Minister for Agriculture, Fisheries and Forestry.

Mr Downie: Thank you, Mr President, I beg to move:

That the Sea-Fisheries (Technical Measures) Bye-Laws 2000 [SD No 709/00] be approved.

When the Island's territorial sea was extended out to 12 miles, existing technical measures that had existed prior to the extended area were applied as part of Manx law. The Island's prime interest in the scallop fishery meant that the legislation of greatest interest to us was that involving scallops. We made sure, therefore, that we had scallop legislation which applied throughout the territorial sea. Our former patrol vessel, the *Enbarr*, was designed to control the three-mile area, but it was able to go out and monitor the extended territorial sea whenever possible. We now have a larger patrol vessel, the *Barrule*, designed to patrol the wider territorial sea and an increased enforcement team. With these new resources we are able to monitor and enforce a much wider range of fisheries matters that are to be found in these byelaws.

Hon. members will, I hope, have noted that the byelaws have been adapted to reflect the Island situation. It remains an offence within the territorial sea to have on board or to land any detached crab claws. The UK has had to follow European precedent on this one, but my view is that it condones inappropriate fishing methods, poor handling of catches or downright cruelty in pulling the claws off crabs and lobsters and then returning them to the sea.

We also have specific information that a whelk of the minimum UK size would, in our waters, only have reached about two years of age and would be well below maturity and spawning.

With these byelaws and our patrol vessel and crew we are demonstrating our commitment to fishery protection. Conservation and management must be given the highest priority if our fisheries are to survive all the pressures that are currently upon them. Mr President, I beg to move.

The President: Mr Singer.

Mr Singer: May I second and reserve my remarks, Mr President.

The President: The motion, hon. members, is printed at 26. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Sea-Fisheries (Scallop Fishing) (Amendment) Bye-Laws 2000 – Approved

The President: Item 27, again the Minister for Agriculture.

Mr Downie: Thank you, Mr President, I beg to move.

That the Sea-Fisheries (Scallop Fishing) (Amendment) Bye-Laws 2000 [SD No 710/00] be approved.

The Island's fishing industry is, as hon. members will know, geared up predominantly to the scallop fishery. There has to be a balance between conservation and commercial exploitation. If we do not take conservation measures commercial exploitation will not be possible in the future, and I am therefore delighted to introduce a further conservation measure to protect what is the mainstay of our fishing fleet.

We have had a byelaw already in place to prohibit scallop fishing between 6 p.m. and 6 a.m. in the three-mile fishing area. That stays in place. The new byelaws now prohibit scallop fishing in the three to the 12-mile area between 9 p.m. and 5 a.m. This will give the scallop grounds a rest overnight and will mean that vessels will not be able to carry out non-stop fishing operations over periods of 36 hours or more.

We also have had a byelaw restricting the spread of gear used in the scallop fishery. Within the three-mile area the maximum spread of gear is 25 feet and in the three to 12-mile area the maximum is 40 feet. This is now complimented by a provision that no more than eight dredges per side can be fished.

There is also a minor amendment to wording. However, the important provision is the closure of the scallop grounds overnight. The Isle of Man Fisherman's Association has welcomed the new byelaws and, Mr President, I therefore move that they be approved by this Court.

The President: The hon. member for Ramsey.

Mr Singer: I beg to second and reserve my remarks, Mr President.

The President: The motion, hon. members, is printed at 27 on the order paper. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Weights and Measures (Quantity Marking and Abbreviation of Units) Regulations 2000 – Approved

The President: We turn then to 28 and I call on the Chairman for the Office of Fair Trading to move, hon. member Mrs Crowe.

Mrs Crowe: Thank you, Mr President, I beg to move:

That the Weights and Measures (Quantity Marking and Abbreviation of Units) Regulations 2000 [SD No 700/00] be approved.

The Isle of Man Office of Fair Trading has initiated a policy of legislation review. Our weights and measures legislation is the first to be completely reviewed and revised. Currently the legislation encompasses some 40 separate sets of regulations and orders dating back as far as 1972, all of which have now been reassessed in the light of developments in local and international trade. These regulations are the first of many which will appear as a regular feature on the agenda for the coming months, you will be pleased to know.

These regulations are made under various sections of the Weights and Measures Act 1989 which enable the Office of Fair Trading to make regulations for prescribing the abbreviations or symbols of units of measurement, the manner in which containers of goods may be marked with information, the units of measurement to be used in the marking of containers of goods.

The main purpose of these regulations is to control the way in which quantity markings appear on containers of goods. The regulations revoke and replace regulations of a similar title which were introduced some 25 years ago. They reflect changes in labelling requirements which have been introduced in neighbouring countries in recent years. The principal is that they omit a number of detailed provisions as to quantity markings. Now they require that any quantity marking must be easy to understand, clearly legible and indelible.

The Office of Fair Trading recognises that businesses which produce packaged goods in the Island must be assisted to trade on equal terms with their competitors in other countries. These regulations introduce a uniformity of marking requirements between the Island and neighbouring countries, thereby easing the burden on local businesses to allowing them to have only to comply with one set of requirements no matter where they sell their goods.

The regulations require that goods which are prepacked in fixed quantities be marked in metric units but they also allow for the additional marking of imperial equivalent, and I must stress that these regulations do not mean that they are a means of introducing compulsory metrication. This is a policy of an adjacent isle that we chose not to follow. The units of quantity in which goods are to be sold and the abbreviations for those units are prescribed in schedules 2 and 3 respectively. Unlike neighbouring countries they allow for the continued use of imperial units for trade, and so any business which sells its goods by quantity in the Island may continue to use imperial units of measurement for local trade if it so wishes. Mr President, I beg to move.

The President: Hon. member, Douglas North.

Mr Houghton: I beg to second, sir.

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

Mrs Hannan: Yes, I am just slightly alarmed by the retaining of the imperial measure. It is all very well for us sat around here to think that this must be retained at all cost, but our young people only know metric measure; that is how they have been educated; that is how they measure things. And yet we are saying we that should retain this, and I just think that we are being a little bit backward and I think maybe we should be more forward-looking in this particular issue, because some time we will have to address this fact of this changeover from imperial to metric, and I think, instead of holding it up as being something that we can retain, we should be considering our young people who think only in metric and all their business and everything is carried out in metric, and we have to change some time.

The President: The Chairman of the Office of Fair Trading to reply.

Mrs Crowe: Thank you. Yes, I do take the point that the hon. member for Peel, Mrs Hannan, has made, but I think you will find there will be a natural demise of imperial measure. There are very few scales now that are made in imperial measure, most goods imported to this Island are metrically measured and noted, and in some cases there is a dual measurement. I think the mess that the adjacent isle has got into with trading standards rushing around arresting market traders who are still using scales for imperial measurement. . . As long as the consumer knows the amount of money they are paying for the measured article that they are receiving it matters little whether it is imperial or metric (**Several Members:** Hear, hear.) but I do agree with the hon. member for Peel: none of our schoolchildren recognise imperial measure and if there is a natural demise and shortly there will be no-one of the generation that recognises imperial measure.

A Member: Hear, hear.

The President: The motion, hon. members, is printed at 28. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Weights and Measures (Equivalents for Dealing with Drugs) (Revocation) Regulations 2000 – Approved

The President: We turn then to 29, Chairman of the Isle of Man Office of Fair Trading.

Mrs Crowe: Thank you, Mr President. I beg to move:

That the Weights and Measures (Equivalents for Dealing with Drugs) (Revocation) Regulations 2000 [SD No 701/00] be approved.

These regulations were made under the Weights and Measures Act 1989. These regulations revoke regulations

made in 1972, a time when it was anticipated that metrication would occur within a matter of a few years. The 1972 regulations were introduced specifically to prescribe for the medical and veterinary profession's metric equivalents. They do not use the imperial measurements now in prescribing drugs, and the professions concerned since 1972 have used metric quantities and the need for the regulatory control of the imperial equivalents has gone. Thank you, Mr President.

Mr Houghton: I beg to second, sir.

The President: The motion, hon. members, is printed at 29. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Weights and Measures (Milk and Solid Fuel Vending Machines) (Revocation) Regulations 2000 – Approved

The President: Item 30, again Mrs Crowe to move.

Mrs Crowe: Thank you, Mr President, I beg to move:

That the Weights and Measures (Milk and Solid Fuel Vending Machines) (Revocation) Regulations 2000 [SD No 702/00] be approved.

These regulations were made under the Weights and Measures Act 1989 and they also revoke regulations made in 1972 and amended in 1976 which prescribe certain information which was to be marked on vending machines for milk and solid fuel. Vending machines for these commodities have not been seen on the Island for many years and are not likely to be seen again, and the need for regulations controlling them is now gone. Thank you, Mr President.

Mr Houghton: I beg to second, sir.

The President: The motion, hon. members, is printed at 30 on the order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Financial Supervision Commission Corporate Service Providers (General Requirements) Regulatory Code 2000 – Approved

The President: We reach, then, item 31 on the order paper and I call on the member for Treasury, Mr Braidwood, to move.

Mr Braidwood: Thank you, Mr President, I beg to move:

That the Financial Supervision Commission Corporate Service Providers (General Requirements) Regulatory Code 2000 [SD No 703/00] be approved.

Section 6 of the Corporate Service Providers Act 2000, which came into operation on 1st November 2000, empowers the Financial Supervision Commission to make regulatory codes. The Corporate Service Providers (General Requirements) Regulatory Code 2000 is based on standard regulatory principles relating to the fitness and properness of licence-holders operating in the international financial services arena. The code for corporate service providers, or CSPs, adapts those fitness and properness principles relating to the entity as a whole and its key staff to encompass CSP industry standards of best practice, and I would like to emphasise here the code represents a broad consensus view which has resulted from extensive consultation with the CSP industry. Together with the CSP's obligations under the anti-money laundering code 1998 as amended 1999 this measure places obligations and responsibilities on CSPs which should assist in preventing companies, whether incorporated in the Isle of Man or elsewhere, from being used for criminal purposes. The objective is to protect those doing business with the Island as well as to protect the Island's international reputation.

I beg to move that the Corporate Service Providers (General Requirements) Regulatory Code 2000 be approved.

Mr Radcliffe: I beg to second, sir.

The President: The motion, hon. members, is printed at 31 on the order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Financial Supervision Commission Corporate Service Providers (Clients' Money) Regulatory Code 2000 – Approved

The President: Again then to 32, again in the hands of the hon. member for Douglas East, Mr Braidwood.

Mr Braidwood: Thank you, Mr President, I beg to move:

That the Financial Supervision Commission Corporate Service Providers (Clients' Money) Regulatory Code 2000 [SD No 704/00] be approved.

Section 6 of the Corporate Service Providers Act 2000 which came into operation on 1st November 2000, empowers the Financial Supervision Commission to make regulatory codes. This Corporate Service Providers (Clients' Money) Regulatory Code 2000 sets out the rules which will apply in respect of any moneys which the holder of a corporate service provider licence holds on behalf of any of its clients or client companies. The measure requires that any moneys defined in the code as clients' money be held in trust for the client or client company and segregated from the CSP's own assets so that, in the event of an insolvent liquidation of the CSP, the clients' money is protected. The principle that clients' money is held in trust separate from the CSP's own assets applies to all clients'

Weights and Measures (Milk and Solid Fuel Vending Machines) (Revocation) Regulations 2000 – Approved
Financial Supervision Commission Corporate Service Providers (General Requirements)

Regulatory Code 2000 – Approved

Financial Supervision Commission Corporate Service Providers (Clients' Money) Regulatory Code 2000 – Approved

money including government fees that are due and payable by a client company at some future date. The measure sets out the operational rules for handling clients' money including how a client's account must be designated, acknowledgement by the bank that it will not treat clients' money as part as the CSP's money, withdrawal of moneys from a client account, identification and monthly reconciliation by the CSP of the clients' money it holds and payment of interest on clients' money.

I beg to move, Mr President, that the Corporate Service Providers (Clients' Money) Regulatory Code 2000 be approved.

Mr Radcliffe: I beg to second, Mr President.

The President: The motion, hon. members, is printed at 32 on your order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Independence – Implications – Council of Ministers Report – Debate Commenced

The President: We turn then to item 33 and I call on the Chief Minister to move.

Mr Gelling: Mr President, I beg to move:

That the Council of Ministers Report on the Implications of Independence be received and the recommendation contained therein be approved.

The report before hon. members today represents the fourth in a sequence analysing constitutional objects for the Isle of Man. In the second such report it was recommended that 'all opportunities for extending the Island's autonomy within the broad framework of its existing relationship with the United Kingdom should be taken so as to maximise the Island's self-government and self-determination.'

More recently, sentiment has been expressed in a number of quarters that independence for the Isle of Man would prove to be useful or a useful vehicle through which to defend our interests with regard to a number of international developments, most particularly those of the EU and the OECD with regard to taxation. Nonetheless, whilst the issue of the Island's constitutional position has perhaps been thrown into greater relief very recently because of these developments, the work of the Constitutional and External Relations Committee of the Council of Ministers considering the ways in which the Island's economy might be extended predates these recent moves.

Now, the committee's researches have shown that it has proved difficult to identify areas where constitutional progress might be made short of making a move towards independence. We have looked at independence, and this current report examines the main themes which have emerged as a result of these investigations and summarises what the Council of Ministers perceive as the likely advantages and disadvantages of independence.

Members will perhaps not need reminding that in recent times significant steps have been taken towards greater autonomy for the Isle of Man. These have included the transfer of powers and responsibilities from the United Kingdom Government to the Isle of Man Government and similarly the transfer of powers and responsibilities from the Lieutenant-Governor to locally elected representatives.

The Isle of Man Government's stated policy with regard to constitutional development as set out in successive policy documents is in itself informed by a Tynwald resolution dating from 1981. The shared objective of both Tynwald and government is that the Isle of Man's constitutional relationship with the United Kingdom should continue to evolve towards more complete self-government. The constitutional developments of modern times have therefore been consistent with this aspiration. Nonetheless, these developments have in turn brought difficulty with them. The Island has secured a level of autonomy where there is frankly little scope for further significant advancement short of, as I have already stated, full independence. Where there are areas in which advancement may be possible, opportunities are pursued.

A particularly welcome development in recent times has been the opportunities that have become available for the Island to represent itself at international fora where the Island's interests are under consideration. Early examples were the International Labour Organisation and the convention on international trade in endangered species. The very recent examples are of even greater significance. In these cases the United Kingdom has invited the Island to represent itself in discussions with both the OECD and the Financial Action Task Force, and we have twice appeared before the United Nations Human Rights Committees. In representational terms these arrangements seem to have been wholly satisfactory for the United Kingdom and the Isle of Man Government, and it is the intention of the Council of Ministers to do all we can to ensure that these developments pave the way for future opportunities, allowing the Island to represent itself internationally.

It is necessary to recognise the limits of what is possible whilst the Island remains a dependency. In these circumstances the United Kingdom Government continues to be responsible internationally for the Island and its affairs. This means that the United Kingdom would be held to account in the unlikely event that the Island failed to meet any of its obligations under international law or conventions. As a safeguard to its own position the United Kingdom would wish to retain a right of intervention in Island affairs or to veto new legislation. Realistically this United Kingdom intervention cannot be removed other than by the Island moving to full independence. Significant constitutional advance from the current position can only be contemplated, therefore, in terms of complete independence, and it is this that the Council of Ministers have revisited in presenting this report.

If you will permit me, I think this raises the important issue of considering what independence actually means in the 21st century. The geopolitical trend of the 18th and 19th centuries towards the nation state as the locusts of political power has altered. Nowadays supranational

organisations wield enormous influence. Throughout the modern period the tendency has been towards larger rather than smaller and towards international interdependence rather than individual autonomy. It is well understood, and causes concern in some quarters, that many of the nations of Europe have each given up a significant portion of their sovereignty to the EU. Increasingly law is made not individually but collectively. Accepted international good practice impinging upon nation states has increased significantly and a substantial body of international law exists which greatly influences the way in which the world is governed and how business is indeed conducted.

From the perspective of the Isle of Man we would, of course, be at liberty to sever our existing bonds with the United Kingdom. However, it is suggested that for the Island to do so in order to avoid international pressures and interference by international bodies is to misunderstand the nature of independence. The Isle of Man trades with great success globally, particularly in the offshore financial markets which are by their very nature international. As such, they are governed to a large degree by the international forces I mentioned just a few moments ago.

The Isle of Man is, of course, currently discussing a number of issues derived from an international perspective with, among others, the United Kingdom Government itself, and it is true to say that our view and that of the United Kingdom Government do not necessarily fully coincide on all these issues. However, we must not lose sight of the fact that historically, and no doubt into the future, it has been very much to the advantage of the Isle of Man to have a major player like the United Kingdom representing us on the international stage. There is no doubt that without this extra layer of international protection the Island's vulnerability would be increased. It is perfectly consistent for us on the one hand to debate and discuss differences with the United Kingdom and on the other hand to benefit from their presence on the world stage to defend our global interests.

The Council of Ministers and the Constitutional and External Relations Committee on Council's behalf have discussed the issues addressed in this report not only with members of Tynwald at a specially arranged seminar but also with chief officers, senior officials of the United Kingdom Government and representatives of the Island's community. It is not apparent that there is at present an obvious yearning or desire for independence on the part of the people. Equally, there is little appetite for radical change. No doubt the present comfort with the constitutional link with the United Kingdom is reinforced in some part by the relatively benign and non-intrusive attitude to Manx affairs adopted by the United Kingdom. Were this to change, attitudes locally may similarly change and the position may therefore be different, but the existing relationship in practice has not proved to be a spur for independence.

Analysis of the issues, particularly those seen as advantages and disadvantages, have been weighed carefully within the report and the document attempts to draw up a balance sheet setting out the competing elements associated with independence and to arrive at a conclusion informed by the research whether independence should

be pursued. It needs to be recognised that there are difficulties in assessing the weight to be attached to many of the elements needing evaluation. Much of the mechanics of independence would depend upon the attitudes and responses of others. These cannot be determined with absolute certainty because it is the nature of a number of the issues that collective views of many people would prove decisive. Equally, key negotiations, for example with regard to our relationship and trading environment with the EU, could not be known absolutely until the situation became real.

I will not prolong my remarks unduly by addressing each of the balance sheet elements. Hon. members will have read the report and, in identifying advantages and disadvantages of independence, it was notable with regard to advantages how little was identified that was indeed tangible. The advantages column in our balance sheet contained many intangibles such as national pride or Manxness. Now, these are undeniably potent elements but are difficult to ascribe a value to either monetarily or strategically, and certainly they do not appear to be motivating the Island as a whole to pursue independence. It is equally clear that the disadvantages of independence and the uncertainties that this may create were easier to identify and more numerous. Furthermore, amongst them were problems that might ensue with regard to nationality, our relationship with the EU, the future of the Customs and Excise Agreement and the continuity of external services.

With regard to nationality issues, independence would involve the creation of a Manx nationality and citizenship. What it would also involve is the loss of the right to British nationality for those persons who cannot meet the criteria laid down in the British Nationality Act. Now, those who meet the criteria for being a Manxman as defined in protocol 3, a definition which, of course, also includes females, would lose their British nationality upon declaration of independence. Thereafter those from among our community born on the Island of Manxman parents or who cannot claim either a British parent or grandparent would become Manx rather than British. There is no accurate figure for those resident on the Island who would meet the Manxman criteria but we consider the total to be between 10,000 and 12,000 persons. This loss of British nationality could be exceedingly serious for some of those people. These members of our society would lose certain rights; in particular, they would lose the right of abode in the United Kingdom and, in employment terms, they would be Commonwealth citizens assuming that an independent Isle of Man chose to remain in the Commonwealth. This would mean that those persons would require work permits in the UK and would rank behind all citizens of every EU member state in preference when applying for work in the United Kingdom. As I say, these are serious matters for those persons who would be so affected.

I have made a number of reference to protocol 3 and this is of course our formal relationship with the EU. It allows in broad terms free trading of goods and agricultural products and adherence to EU customs arrangements; otherwise the Island is treated by the EU as a third party. Now, this formal relationship with the EU it is possible to

maintain only so long as the Island is a Crown dependency, and independence to the Isle of Man would destroy the basis of the relationship with the EU. However, because of the importance of trade links, particularly with the United Kingdom, and because of the size proximity and sheer economic influence of Europe it could well be necessary to secure some form of agreement with the EU to replace protocol 3. Indeed, again all those consulted as part of our researches agree that the Island could not exist in a vacuum lacking some form of agreement with the EU. Discussions and negotiations with the EU cannot, of course, be predicted so there is uncertainty as to what any new relationship could actually involve.

The Island's starting point in negotiations would probably be to seek a trade agreement to reflect the terms of protocol 3. Whether or not that is actually achievable is again uncertain, particularly in the current climate of international interest in small financial centres. It is probable that some member states might seek to put additional constraints or limitations on the Island's freedom of action in relation to financial services. It would also be a very serious difficulty for our manufacturing industry if limitations were placed on the free movement of goods.

With regard to the Customs and Excise Agreement very similar considerations apply. The agreement is important for a number of our industries, in particular manufacturing. Not least the agreement is also important for government revenues as indirect taxes are an important component in our revenue. Initial discussions with the United Kingdom officials have not confirmed that a new agreement on terms similar to the present agreement could necessarily be put in place following independence. It should be borne in mind that the Customs and Excise Agreement is not a part of our constitutional relationship with the United Kingdom. Consequently there seems to be no real impediment providing that both parties were willing to a new agreement being reached replicating the present arrangements. However, United Kingdom Government representatives have been notably cautious in approaching this issue. It would be beneficial for the Island to have a customs agreement in place; whilst this would be pressed as a part of any discussions on independence, at best this issue must again be regarded as uncertain at this present time.

I also made reference to what I described as the continuity of external services. This is a fairly general term covering a range of issues where the Island receives services from the United Kingdom, a number of which are vital to the quality of our Island life, and there are a few examples which I would suggest: firstly, the continuation of access by our residents to highly specialist and often highly expensive medical services; the continued access for Manx students to the facilities of higher education in the United Kingdom; the continued access to United Kingdom based examinations and qualifications - for example, the examining board dealing with GCSE and A-levels; and the continuing of social security reciprocity; the continued access to specialist advice, training and assistance in a range of technical areas.

Again I stress that there is no suggestion that any of these services would cease to be accessible to an independent Isle of Man. We believe that arrangements

could be made to ensure continuity. However, new agreements would be necessary and an independent Isle of Man would have a different and more distant relationship with the United Kingdom than is presently the case. Consequently it is our expectation that higher charges would be levied for these particular services. It is not possible to determine the additional cost with accuracy, but we would suggest a budget increase of perhaps £10 million per annum would, in fact, be needed.

The areas I have just listed seem to us to be the most problematic of those that we identified, but there are a number of other very important issues such as a continuation of the Common Travel Area and the establishment of arrangements for defence and external representation. These issues do not appear especially difficult, but what they do highlight is a question about the nature of the independence that the Island might seek. It would appear from all our discussions that when the Island becomes independent it would immediately seek to re-establish a huge cross-section of links which it has already with the United Kingdom: a Customs and Excise Agreement, a continuing of services, the Common Travel Area, defence and external relations arrangements. It would seem, therefore, that much of the negotiations surrounding independence would be directed simply at ensuring the continuity of existing services, but then having to pay a higher and, at this time, unknown price.

Consequently it is the conclusion of the Council of Ministers, as will be seen from the opening paragraph of the report's recommendation, that there is insufficient advantage for the Isle of Man to seek independence at present. However, that is not to say the circumstances may not change in the future, attitudes may be modified or some future United Kingdom government might choose, for political purposes, to go beyond existing, established constitutional practice.

Accordingly, having regard to the various elements of this complex issue, the recommendation within the report invites this hon. Court to agree to a modification in government policy designed to pursue the continuing constitutional development of the Isle of Man, and there are three elements to this policy. It is recommended that, within the current status as a Crown dependency, we should pursue the continuing constitutional development of our Island by promoting and defending vigorously the Island's autonomy in relation to its internal affairs and seeking to extend the Isle of Man's influence over external issues affecting the Island, by maintaining and extending the Island's direct representation at international bodies and, thirdly, acknowledging the option of seeking independence as a sovereign state if circumstances were to change and if that were to be the wish of our people.

The prospect of independence for the Isle of Man can be an emotive subject. However, it is an issue which must be considered most carefully from an unemotional perspective, to analyse and reflect upon all the elements involved with a view to securing the long-term interests of the Island. The Council of Ministers report fully considers the relevant issues involved and concludes that at present independence is not the way forward for the Isle of Man; however, the report recognises that this situation

may change in the future and asserts that the Island be willing to respond to that change if necessary.

I consider the report to be an intelligent, thoughtful and well-reasoned analysis of this paramount constitutional issue, and I would recommend to the hon. Court that the conclusions of the report be supported and I therefore beg to move, Mr President, the item standing at number 33 in my name.

The President: The hon. member for Garff.

Mr Rodan: Mr President, I rise to second and reserve my remarks.

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

Mr Karran: Vainstyr Loayreyder, maybe the Chief Minister can tell us, what is the difference over the Irish as far as the UK external services are concerned as far as their ability to be able to get into the United Kingdom? What about the situation about the students that we are paying for, which is costing us millions of pounds at the moment? What about the fact that the reciprocal agreement over health was brought in in days when we had hundreds of thousands of tourists coming to this country who needed health care? Can he explain, then, when other countries who are independent of one another have mutual agreements, would the United Kingdom Government defend us if it was not in their interests to defend us?

Let us start this back into reality. We have heard all the scare tactics of how all of a sudden there are 12,000 or 15,000 people who would not be able to work in the United Kingdom. It would depend on your government's ability to act like a government and not like a doormat with the forelock-touching situation that has been inbred in our nationhood for so long. It might offend some of your colleagues, but I want to see a government of men and of national politicians and not straw. (*Interjections*).

I saw the front of the situation and it just unbelievable. I mean, we have this pair of buzzards on the front here which nobody seems... It should be a pair of fairies, because it is like a fairy tale! I mean, that is an insult in itself; the crest is an insult to the Manx nation to start off with but, typical of this place we are in, many in this hon. Court are ignorant or hide from the facts of reality and our history. The idea that we will always be looked after and they have always looked after our interests - I think it is a shame that we were not taught our own history over the years. The fact of the matter is, we are an expendable resource in the middle of the Irish Sea and the sooner many in this hon. Court realise that the better. We should be working on our constitutional armour. We hear in this report about 'good government', and you are right: if you are playing Queensbury Rules we are safe; we should be safe from the UK Government and we should be safe from international affairs, international law, but we are not safe and we know we are not safe.

Good government is a matter of what people interpret as good government and international affairs, and I believe that that is a moving feast. It is a legacy for the next generation. If we are going to have to have independence

at a date we should be arranging it now, and we should be moving to it now, and we should be getting ourselves so that we are developing our position so that we are not coming along when they pull the rug from under our feet. That is their history in their colonies, and what a mess they left behind! Admittedly for a European super-nation they were far better than other colonial nations from the European sector, but at the end of the day we should be in the position of looking after our own affairs, because I would like to know, Chief Minister, we talked about international affairs and about international law - it will be within the next couple of years that taxation will become an international law. Good government - what is good government? Whether we have the Chief Minister from Santon and Malew or a future Chief Minister from Onchan, that is the reality of the situation, and that is the problem that we have.

Mr Cretney: It is not you, Geoff!

Mr Cannell: No, it must be Peter!

Mr Karran: I am concerned, Eaghtyrane. The truth of the Royal Assent to start off with is something which has developed over the last 40 or 50 years. People have told me that that is the case as the Governor, who was originally the feudal lord of this place and the only time that they could revolt was on legislation. . . I believe this report. I believe that no-one in this hon. Court should even accept that we... the contents of this report in my opinion, if you should receive it. How can you talk about being ministers and you want to be respected and you want this, and we hear the usual claptrap and, all right, I know people will say, 'Well, what is right for one person is wrong for another,' but we have heard all this stuff. How do other countries, how does San Marino work with Italy? How do all these other countries have this idea that somehow we have the scare tactics that somehow, by becoming an independent state, suddenly all health care with the United Kingdom will go? I find the question marks have been over that for a long time, and that is the reality, and to suddenly try and say 'Right, we have been proved, boys, those nasty people like the member for Onchan come along saying such things; the fact is, the writing is on the cards as far as that and many other things when it suits.

One of the other unwritten things about our history - back in the 1920s and 1930's there was a vast movement in this country by the working class to become part of the United Kingdom. The working class, a lot of the labour movement and the socialist movement wanted to be part of the United Kingdom because the benefits and the conditions were absolutely appalling in the adjacent island but they were at least better over here. The United Kingdom did not want to know that because it would have cost them more money. That is the truth of the matter and if it would have been in their interests they would not have propped up the local mafia that ran this country in those days where the working people were kept down even further. (*Mr Downie interjecting*) The fact of the matter is that those are the sort of things that we have to rely on.

I am delighted that they have mentioned things like when they have had to suspend Tynwald and things like

this in the past; This hunky-dory idea that the motherland, the main land or whatever you want to call it has looked after this country is wrong. This country has always through its history got on its feet, and when it has suited the adjacent island they have tugged on the rug and they have pulled us back down when it suits the adjacent island.

What I am concerned about today is that if we do not get ourselves working fast towards independence... and with negotiated things; we do not have to get rid of the Queen if the majority of the people of the Isle of Man do not want to get rid of the Queen. But they equally do not want a ridiculous situation, as I have suffered as a member of this hon. Court, when pieces of legislation cannot be supported because it would embarrass the United Kingdom Government, and that is what happens time and time again. If something is right for this country then it should be right for this country and should be passed law for this country. The fact that it might embarrass the United Kingdom Government because of this, or that or the other should not be an issue, and this is where the whole ethos of this argument about good government is not the reality. It is not whether it is good government for the Isle of Man; it is whether it is in the interests of the UK Government. That has been the whole top and bottom of the constitutional position. I believe that anybody who says that there is insufficient advantage to the Isle of Man to be seeking independence at the present time and who then struts up and starts talking about being a minister should resign. I believe that that should be the case. How you can have a situation where you can be talking about the Isle of Man Government on one hand but then we can say, 'Oh, it is those nasty, horrible boys in the adjacent island that has caused this problem' or that problem. . . Either you are a national government or you are not, and if you want to be a commissioner or a councillor, then go and be a commissioner or a councillor, but do not support this situation that we are going to wait until what happens, because I do hope - and I know, Eaghtyrane, I maybe spend a lot of time on my feet - but I do hope that the Chief Minister does come back and explain why suddenly, if we were to go down independence, the Brits would treat us any different than they would treat the Irish Republic. Why could we not have a reciprocal health agreement like they do with every other EU country in Europe and with other countries in the world?

Mr Gelling: I did not say we could not; we can.

Mr Karran: The fact of the matter is that what we heard was these things were all question marks and were all fear tactics and were all the issues. I believe this report should be at best received and at worst thrown out, because I tell you now that as far as I am concerned our history is about being allowed to build up, and then, when it suits, to pull the rug away, and I believe that we as a government should be making sure that we have the right constitutional armour to protect us. And I do hope that you do do some research on your pair of buzzards on the front, because I just think, that it is an absolute scandal that we have a situation where we have accepted a coat of arms - I did not mind for the judiciary, I did not mind for them and if I had known that

you were going to do... there would have been uproar in this chamber when that pantomime was about, but to have it as a symbol to show our subservience to the adjacent island - it just is unbelievable as far as I am concerned - unbelievable!

I hope people will throw this report out and tell the committee. . . because if it was not a Council of Ministers committee, I would be sacking them, because what should be happening is not this willy-nilly; we need to get on with the job of making sure that we cannot allow our people to go back to the road where we used to have to send our people to the adjacent island as economic refugees because the Isle of Man here had no commitment to itself, and this report does not do anything as far as that is concerned.

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

Mr Rimington: Thank you, Mr President. I am sorry to differ with the last speaker, but (*Laughter*) I do on this occasion accept that the report is a fair assessment of our current position. There is not a pressing demand for complete constitutional independence. However, independence is a strong idea and it is sufficiently strong that this issue should be addressed in detail by the Council of Ministers. It is a seed in the minds of all those who care to think about our future. For some it is only a very small seed with a rather long dormancy period; for others, probably fewer in number, it is a rather large seed just waiting to sprout.

Whilst I believe that formal constitutional independence is not the current way forward, there still remains a strong wish for independence, and that independence, I believe, is independence of thought and independence of action for stronger national identity, for a healthy Manx culture, and independence from the UK in that we do not follow everything they do quite so closely, which I do believe we do at the moment. I think there is a desire as a small island to find our own solutions to our modern day problems; I think there is a desire for innovation, more creative government, that a small jurisdiction should be able to do. I think there is a strong desire for our society to develop independently of the UK with strong communities and a better quality of life, not a society that is burdened by crime, not a society that is burdened by an ever growing number of disruptive adolescents, not a society that is burdened by many of the social problems that exist in the UK and elsewhere. Mr President, I believe that will require some truly independent thinking.

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

Mrs Hannan: Thank you, Eaghtyrane. The comment was made that this was dealt with in an unemotional perspective and, yes, I can see by this that it was written and put together in an unemotional way. However, if we look at page 30 it states - and the Chief Minister referred to it in his opening remarks - 'the generally benign nature of the approach of the UK Government to the Island and its willingness to defend the Island internationally.' Now, I would question that. One of the reasons why there has

been a call for independence from some of our people is because they were extremely upset, as was this Court, as was the Council of Ministers, by the Labour Government and the introduction of Edwards and all his investigations, and there is no getting away from that. That was certainly not the benign nature of the UK Government (**A Member:** Hear, hear.) And it certainly did not, and is not, defending us internationally in this way. It would seem that it took delight in putting us in the position that we were in, and not just the Edwards report but over a number of issues, especially the ones which I have been involved with, which are education and fisheries. I could understand, absolutely and completely if this government talked to that government, but this government does not talk to that government. This government talks to officials; it talks to civil servants and it does not talk to. . . all right, you managed to get Lord Bassam over here at very short notice to talk to the Council of Ministers; that is fine, and you have had Lady Blatch and you have had this body over, you have had the Secretary of State for the Home Office over on a couple of occasions, certainly not this existing one, the one that has been involved in all this Edwards situation, but what difference came out of that? It was just patting on the head and they went away again. (**A Member:** Hear, hear.)

So if it was taking the Isle of Man seriously internationally I could understand the comments made in this report. It is all very well to state that, yes, we could be independent within Europe, but that causes a lot of problems and that is certainly not spelt out within this document; it only just touches on it. We could also remain within the Commonwealth.

I wonder if this committee looked further afield at how other places dealt with these sorts of issues. We have got the Faroe Islands who have 47,000 people, and they are looking for more and more independence. There are things there that I think we can learn from. It is all very well saying that we are here and they are there and it is totally different, but we can learn from these people instead of just accepting as we are at the moment.

There are a number of issues with regard to British nationality. Now, many of us here would, and do, describe themselves as being Manx. That position could be negotiated with the UK with regard to common services. The UK absorb a huge number of people every year within their immigration system and they are quite happy to do that, 75,000 also to be given, as is the case with Ireland, as a free travel area. I do not know what the problem is there.

With regard to students, we could be asked - and with all these external issues such as higher education, GCSEs, social benefits and the rest, to pay £10 million if we decided to go independent. It could cost us that much. I accept it could, but staying as we are could cost us that much. We do now pay more for our students in higher education. A lot of the issues with regard to education have been semi-privatised with regard to universities; with regard to the GCSE and A-level it is charged anyway. They are all the time wanting more people to take up some of these as universities, as also these examination boards, to pay for some of their issues. I do not see what the problem is there.

Social benefits - that is a different sort of agreement altogether and I would have thought that, in talking about

some of these issues and in developing some of these issues, we could in actual fact, instead of saying, 'Yes, we will sort of look at things as and when they develop,' these sorts of things could in actual fact be looked at now in this unemotional perspective where we look at how we could develop a free travel area, the same as Eire has been able to do. So we could develop other links and develop these external services for ourselves. We have been given access to the International Labour Organisation and CITES, but it is not something that we have clamoured for in those areas or in actual fact pushed and been successful with. Some of the areas where we have wanted to represent ourselves we have not been accepted at, and therefore there are these areas which I feel that the Council of Ministers must push further with, with this report or without it.

There are a number of issues which I think that the Council of Ministers should be addressing to develop by evolution, certainly not by revolution, but we should be developing these sorts of issues all the time instead of saying, 'That is as far as we have got at the moment and see how things change.' We must be looking further, we must be looking to talk on equal terms with the UK. They are, in actual fact, representing us in many of these areas and we should be talking to them and they should be representing us, and that is one area that, until we get independence, we should really really be pushing them to do, and they have not done that in the past.

Eaghtyrane, I would be happy to second the amendment that is before us - (*Interjections*).

The President: Hon. members can I make it plain? I took it that Mr Karran did at one stage comment about the report being received, which I took to mean that he was going to move his white paper. He later on suggested that that the report should be thrown out, but I was accepting that he was moving his amendment.

Mrs Hannan: I am seconding his amendment and I thank you for that ruling, Eaghtyrane. I am happy to second that, because I believe that this report should go back to the Council of Ministers. It does not say that on the... I think they should start looking at things in a much more in depth and active way - as I said before, evolution, not revolution, but march on towards this instead of being placed in the future with a situation whereby we have Edwards again and where we are pushed into it. So I would hope that members will support the amendment.

The President: I call upon the hon. member for Ayre, Mr Quine.

Mr Quine: Thank you, Mr President. The difficulty I find with this particular item is that we have a document produced, a fairly slim document - maybe none the worse for that and introduced by the Chief Minister in a manner which I would suggest is to defend the status quo - not an easy basis for us as a Court to decide what is right and what is wrong. Had it been at an earlier time during the life of this hon. Court, I think perhaps we could have resorted to the device of seeking to refer the report to the Standing Committee on constitutional matters and asking

them to let us have a view, let them look at some depth at the issues and try not during the lifetime of this House - we have not got time left for that now and that is the reason I have not moved it - because I feel that what we have got, essentially, is a case in defence of the status quo. Now, whether at the end of the day that is what we should be with or not I do not think we are very well equipped to pass judgement because we have not had the opportunity of somebody else standing up and saying, 'Well, I can argue my case. We can go this way because we can do this about that' and so on 'and the scope for development in this direction offsets what you lose in that direction.' So I find it somewhat difficult to just take what has been put before us today. But I believe that we do not have the luxury of a time frame in which we could test it further.

So therefore what I would like to just devote a few moments to is to look to the report and look to the policy, because I think there are two things embodied in this item: there is the report itself and there is the new policy that is proposed, and I think we should really have a look at both of these.

As far as the report is concerned, it covers a lot of ground. I would suggest that there is not a great deal in it. Perhaps one could describe it as an expansive synopsis, but when you come to look for the pros and cons in depth, I think it draws us nearer to a list of heads of disagreement than to anything else. And one thing that does come through strongly in this report is that, perhaps not unnaturally, it is led by economic considerations, certainly not an inconsequential matter, but at the same time I have this feeling in the absence of further and better information that what we have before us does not represent the totality of the information upon which we should be passing judgement.

There are certainly one or two items in the report that, in common with the two earlier speakers, I would like to associate myself. I am aware of little evidence acceptable to me that the UK Government is exhibiting a benign nature towards us; I find very little evidence of that. Indeed, if you look at at least two of the exercises in respect of which we currently have some economic problems, economic considerations, financial considerations, they in fact have been promoting those exercises, they have been part and parcel of the problem, so you can hardly say that in relation to OECD matters and EU draft directives they had exhibited a benign nature. I think that is a little bit of camouflage, and certainly, in terms of hard evidence that the UK is willing to defend our interests in the international setting, I also find little evidence of that. I am very conscious of the fact that one of the recent issues has been whether or not we should have a voice at the OSPAR conference, in which, of course, we have a direct interest, in the matter of Sellafield, and they have been very adamant that we should not have our own representation at that conference. And why? Very clearly because their interests do not coincide with our interests. They want Sellafield to continue and they know that we want Sellafield to close down, so I cannot accept the assertion, not on the evidence that is in fact before us in this report, that they had exhibited this benign nature, and neither can I see the hard evidence of the UK's willingness to defend us. I do not think they measure up against any objective standards.

The other matter which perhaps is more academic: the statement says that good government is a settled principle. I am not quite sure what that is intended to convey, whether it is a settled principle in that, as a constitutional issue, that is accepted by all and sundry; I do not think that is so. Is it a settled principle because in legal terms, international law, it would measure up? I think not. If it is a settled principle in the sense that we have had a statement in the Lords recently as to what good government did or did not embrace, yes, I think there is something to be seen there, but I would not describe that sort of statement as being either authoritative or definitive and indeed could be very short-lived.

Again, within the report there is the assertion that because the UK Government have extended invitations to us to be part and parcel of certain of their legislative instruments and we in turn have said, 'No, thank you' and they have accepted that, that in some way extends our growing legislative competence. I do not think it does at all, I think you are reading far too much into that.

But what I was really looking for in this report, and I suspect a number of members were looking for, is where do we go from here? The Chief Minister has explained to us all the difficulties, but he has not said to us that, nonetheless, this is where we go from here. I was looking in this report, for example, for some information on this issue of Royal Assent. What are our options? Is it possible to work out a different arrangement for Royal Assent? Even if it was on a conveyance of the authority to us on the advice of our own government, there must be other alternatives but I do not see them addressed in this report, and I would have thought that would be a very important issue.

So I am certainly not happy with the report. I am not happy with the fact that we are being asked to pass judgement on it without having what I believe is the full facility of a balanced picture. I do not think that has been available to us and so I am unhappy about that. But at the end of the day, I suppose what we are asked to pass judgement on today is something quite different - I believe it is. What we are asked to pass judgement on really is whether what is proposed in this report in terms of a new policy is better than what we have in place. At the end of the day, no matter what we think about this report - and we have all got our views, I understand that - is what is proposed here better than what we have?

When we come to that issue then I think I am inclined to support this report because, quite simply, if you look at the existing policy - and it is drawn out in the report, I think, quite well - there is this area of ambiguity, there is no doubt about it, and we are quoting here, 'towards more complete self-government.' By implication the most we seek to achieve under that policy is a high degree of self-government. The door really is no wider than that and it does not even hold in prospect wider or greater constitutional objectives which we could aim for, whereas at least in the new policy that is proposed, to my layman's appraisal of these matters, I think that gives a little bit more because we seem to deal with it in two bits: we are saying, within our current status - the current status, of course, being one of a Crown dependency - we should seek to

promote and defend et cetera, and then we do not leave it there, we then leave the door open for us to move on and look at this issue of independence as a step beyond that. Now, okay, perhaps I would again not have couched it in these terms; I would have couched it perhaps, in more aggressive terms than this, but the fact is I believe there is a decided plus in the wording, certainly in terms of those who would wish to seek further advancement of our autonomy cum independence. There is more scope embraced in what is proposed in this new policy than in the existing policy, and when I come down to that bottom line then I believe we should be supporting - I speak for myself - this particular new policy because simply to receive it or to kick it out, as has been suggested, leaves us with the old policy which does not take us one iota forward from 1981, so, although I have my concerns and I am unhappy with some of the aspects of the report and unhappy about the way we have been left to evaluate it, at the end of the day, when it comes to the that straight choice, I believe there is more in what is on offer here today than what we have got within the existing policy. On that basis I will certainly lend it my support, sir.

The President: Hon. member for Onchan, Mr Cannell.

Mr Cannell: Thank you, Mr President. We have heard that this report was put together in an unemotive way - probably the best way to do most things, but not a privilege open to some people who evaluate everything in that fashion if they really believe what they are talking about. As far as I am concerned, although I felt it was a very rational argument advance at the end of the previous speaker, where he said, 'Anything is better than nothing,' there is not a lot going for it, and as far as I am concerned it is a sad day. It is a sad day because we have not set anything as a marker to really go forward. What we have done is said here, 'Yes, maybe someday,' but when is the someday? Long after we have all gone, I am pretty sure, and there is no indication whatever of any innate desire of the population of the Isle of Man, represented by us here, to try to create its own nation at any expense. The best thing that the preceding speaker said, apart from his eloquent summary of what we should do with our vote which up to now he has convinced me to follow - so I am not a knocker of this at all - is that the entire thing, I think he said, is led by economic considerations.

Now, the Chief Minister did not skate away from acknowledging that the Customs and Excise Agreement is a main plank of independence consideration, and I remember the same thing being stated when we went to the seminar, exactly the same thing, and if the figures were right as advanced - and there is no reason why they should not be perfectly correct - then it would be total economic madness to go down that road. But at the end of the day, if you want to aim for something you have to start with nothing; you have to build up. How many of us in this hon. Court have been knocked back when circumstances have led us to go from a reasonable position back to where we were? And what is it that most Manxmen do best? They start again and build up.

We should be aiming for independence for this nation and we should put down a term, a date when we should be

doing it. That will allow all the pieces to be put into place. I am not talking about next year; I am talking of Tynwald Day 2010 - 10 years away. Plenty of time to organise this nation and overcome any of the obstacles which are in the road, because if we are to believe the Chief Minister, we may as well throw the towel in now because there is in that report well-argued statements to everything. I accept that, that is fair enough, but there is not anyone saying, 'But of course as a nation which we say is as "free as thy sweet mountain air", we wish to be independent of the United Kingdom per se. We want to be the Isle of Man, run by us for our benefit, on our terms.'

Now, you might say, 'Okay, well, we would like to be independent financially ourselves in everything,' and those with mortgages and those with heavy financial commitments would often like to be free of everything and get shut of all the shackles, but as far as I am concerned when I have been shackled with debt, I have made great strides to try to reduce that debt and try to get into a position where I am independent of the finance houses and mortgage lenders, and to a large extent I have managed it, I hope, by my own endeavour and kindly assisted by some others as well. But we do not have any seeming desire to actually become independent. All we have got is a list of reasons as to why we should not do it now, which I accept. If you were to put the flag up now and say, 'We are independent,' we would have to find something of the order of £50 million, but there is one thing that has not been mentioned yet - that money that is coming from the Customs and Excise Agreement is not cast in any stone out at South Barrule quarry; that six-month agreement is a two-way agreement. We might like to continue it and, however often we negotiate it, say, 'Yes, please'; of course we will - who would not? It is a licence to print money. But it would only take not much of a whim of the British Government to either cotton on to what is going on or, because we have had a barney with them or for any other reason, for them to give us six months' notice and say, 'I am sorry, you have had it.' Then what do we do? Are we prepared? We have good reserves, admittedly.

Mr Downie: You put your money where your mouth is then!

Mr Cannell: So a sad day, in my opinion because we should be aiming for independence eventually if it is to mean anything, because there are too many examples, I am afraid, of association with the United Kingdom.

Now, somebody said earlier on that the United Kingdom is the best of the worst; in other words, we are better with them than we are with Ethiopia or whatever we do. Sure we are, they have got a lot more experience, but there are a lot of downsides to it. Now, if you say we are all the time associated with the United Kingdom, what were we doing this morning? We were attempting, and very successfully too, to negotiate a better deal for our people, a better pension, a better standard of living.

We look at the relationship of the average earnings here and we are bashing it up now - I think the latest figure was 90 per cent of national earnings being earned in the Isle of Man. That has been gained by importing people to come

and work here to provide the type of services that we condone having and, as I said in my response to the Chief Minister's policy document speech, I thought it was a bad day for the Manx people because they have lost out somewhere along the way. This is the Isle of Man. It is a Manx nation supposedly led by its own government, because you could actually run this attached to the United Kingdom Government with one, the Chief Minister, attached as an MP to Westminster. We do not want that.

So let us have the backbone, let us have some spunk and let us declare ourselves that we are going to go for this eventually and let us spend 10 years with that commitment in mind and let us say, 'We are driving towards independence.' Many, many poorer intellectual nations than this have managed it, so why can we not, with out 1020 years experience? (*Interjections*) We should be able to do it eventually even if the time is not right now.

Now, there is no suggestion whatever of trying to say, 'We want everybody who is connected to the finance centre to go back. We would prefer spuds and herring, 2000 on the dole and, yes, up the Marine Drive fixing it as a winter works scheme and Eddie Lowey going away on the sugar beet.' We do not want that, of course we do not, and I do not believe it would happen if we did this. We used to hear this old tired thing about what Martin Bakers would do if we put the customs barriers up at Ronaldsway. They would be off overnight. Well, maybe they would; it would have been sad, but their workforce has been considerably reduced from the old days anyway. They were paying them off 50 at a time, and what did we do about it? We did not do anything. We did not say to them then, 'Come on, we are playing the game with you, we do not want those redundancies' Incidentally, talking of average earnings, I believe there are a lot of people in that type of industry who are not in the financial sector who are a long way below the average earnings still at the moment, so there is still a long way to make up on that.

But we hear about constitutional advances. There are not any bigger constitutional advances. Dougie Fargher would cringe if he heard this or read this report today. He would say, 'Independence is what we are after here, the Manx nation.' All right, it is going to take a long time. Surely it cannot take any more than 10 years to start off from scratch with an aim in mind? Let us give it that push and see if we can drive it towards a. . . Now, where is our Treasury minister today? On legitimate government business. Up at 5 o'clock this morning, no doubt, down to catch the plane, long day in London, back tonight, tired and going to bed and up for another Council of Ministers meeting tomorrow morning. You know, it is no jolly, but where? He is down at the Home Office, down there talking to the Home Office about our policies. Okay there needs to be a liaison, but why do we have to actually report everything we do to the Home Office and make sure that in fact their approval is given to everything? We used to have this story about how the people who headed for London never actually got across the doorstep; they were always supposed to be in the lobby or the foyer, they never got to see the real Home Secretaries or the top officials. Well, we have come a long way from then. We do now have the ears and the eyes of the right people. We are getting

them. Lord Bassam would not have come panicking over to here in the old days; he would have just said, 'Not likely, you come down to us.' So at least we have got somewhere with that.

Mr Karran: He would have had a gunboat.

Mr Cannell: But there is an invasion which is taking place here. I keep on referring to it but I will not cease while I am privileged to be here, and that is that the Manx interests in the Isle of Man are diluted. Okay, we have got lots of money, there is plenty of money around. Income tax is going down, social security and pensions are going up, so why knock it? Financially, there is everything going for it, but what we have lost is the drive of the Manx nation to run its own affairs itself. It is now entirely led, for want of a better word, like Threadneedle Street used to be, it is entirely Athol Street-driven, and the hon. member for Ayre is quite right - it is economic matters which are leading this debate.

So on that basis all I can say is urge that the hon. member for Ayre. . . Unless anybody else who has got to speak advances something better - I doubt it - I suppose we had better vote for it because, as they say, it is better than nothing, but I once went for a civil service job and was interviewed in the hon. Chamber of the Legislative Council. I did not get it. I got a letter back and it said, 'You have been unsuccessful on this occasion.' And I was so green and naive to think it meant, 'but the next time, you will be.' 'You will be successful on another occasion.' You must be joking! It was civil service for 'forget it.'

A Member: You never tried again!

Mr Cannell: And that is what we are doing here, now: there is insufficient advantage for the Isle of Man to seek independence *at present* - not 'However, we are working towards this in 2010.' I am sure that is an accurate statement. There is insufficient advantage for the Isle of Man. You could turn that sentence on its head, invert it to say, 'But there is sufficient advantage for the Isle of Man to pursue this at a date to be decided and to drive forward and get the thing moving, because although, in fact, there is a statement down here which says that there is no evidence that there is any desire for independence, there is no evidence to say that there is not a desire to have it either. There is plenty of desire if you go out there. Any true-blooded Manxman would say we want to be independent, because if you do not, then you do not deserve to have the type of subservience which the hon. colleague for Onchan says; perhaps he is a little bit more wild in his assertions than I might like to be, but his heart is in the right place, and that is the heart of a Manxman in his own nation.

The President: Hon. member for Council, Mr Waft.

Mr Waft: Thank you, Mr President. I would just like to state at the onset that I was not in the civil service when Mr Cannell applied, but (*Interjections and laughter*) I would agree with what a lot of what the previous speaker has said with regard to independence. I am sure in our

hearts we would all like independence - yesterday. I am sure that is correct. But at the same time our heads have got to take some credence as to how that would be achieved, and when we look at the report I think that with the problem of independence a report of this size really just whets the appetite of what is for the future, and if we went down that road, even if we thought a number of years ahead, we are going to have a considerably, bigger, larger report and a weight of evidence going into every minutia of how it is going to affect the Isle of Man, and to do otherwise would really be a mistake.

I would agree that a lot of it has to do with the economy and it is rather economy-led; I would agree with the hon. member for Ayre in that instance. However, even so, if it is led, I do not see a lot about it. I am looking at the economic side of it; it has got a page and a half with regard to the economy and the recommendation there - I think at the end - says, 'The message seems to be that in the absence of any obvious economic benefit the risk to the economy of pursuing independence are potentially significant and unwarranted,' and one interesting line: 'With the finance sector with which we have some sympathy is the thought that the issue for the Island at the moment is not independence but whether the Island is seen internationally as a reputable and acceptable partner and location for business activities.' So I think that the thread is there for all to see.

The report, which very briefly deals with fishing and external relations, the Common Travel Area, the European Union - all it does is give a snapshot of what is actually happening within a booklet of that side and, quite honestly, all that does promote is a debate of this sort of nature when everybody has their input and sometimes the heart leads and sometimes the head leads, but at the same time there must be a balance overall to decide the way forward.

The thing that concerns me, putting on my hat as the Overseas Aid Committee with regard to the UK acting on our behalf: I am a bit concerned from our point of view they do act on our behalf with regard to the issuing of exporting small arms, the licences, and OXFAM have expressed their concern that really this has to be gone into in much more detail, there would have to be much more restriction and tighter legislation, and they were requesting that it be put forward in the Queen's Speech this year. So I think to allow the United Kingdom to act on our behalf in those sorts of areas and not make any comment whatsoever is really abrogating our responsibilities. (Mrs Hannan: Hear, hear.) If they represent us, we have got to have an input. I am not saying an input in everything, but we need to see what is happening, where they are going wrong and not be afraid to say so and, as we did with the land mines, make our views known. If they do not agree, that is fine, but at least we have made our views known, and I think that should be made with regard to the tighter restriction on the exportation of small arms. When we see in the Third World countries children running around with arms that are twice the size of them, able to pour out high-speed velocity bullets, it is just off the wall, really, when the Overseas Aid Committee is trying to do something, not from here but all around the world; the Overseas Aid Committees of different, respective countries are trying to

do something only to have wars being blown up out of all proportion because of wishy-washy arms control that sells arms to countries who pass them on to other countries, and so it goes on down the line and it really needs tightening up. Thank you, Mr President.

The President: Hon. member, Mr Henderson.

Mr Henderson: Thank you, Mr President. In the light of what this report is attempting to do at the minute, I see it as closing a door for the time being on any form of progression down the road to developing towards independence and clarifying the terms of moving towards a more complete self-government. The report investigates and provides commentary on one of the single most important issues this Island has had to face up to, and very seriously in recent times. We are told it is a product of 42 months of hard work, all 30 pages including some repetitive sections. We are being asked to endorse a major, in my opinion, national policy u-turn, and in effect give up an aspiration, a legitimate ideal of working towards a more complete self-government and a will of Tynwald that has stood the test of time since 1981 - 20 years; that all opportunities for extending the Island's autonomy within the broad framework of this existing relationship with the UK should be taken so as to maximise the Island's self-government and self-determination.

To me, and for some of the hon. members who were here in those days - and I have read the *Hansards* too so that to be the stepping stone of further future development. We are being asked to abandon, in my opinion, a national ideal which provides the vision and determination to progress towards a more complete single national identity providing the impetus to strive and make the Island a success in its own right, not hanging on the coat tails of anyone in particular, something very precious and prestigious, success in our own right by ourselves, standing up on our own, dealing and negotiating as partners on the world stage not from the perspective of some troublesome appendage stuck on Whitehall's apron strings.

In making this consideration we have a small, 30-page document which draws the reader to the main conclusion that there is no stomach on the Island generally for any form of independence. The paucity of reference and other material in this small report is insufficient to formulate an opinion to support that observation or the motion to give up what should be a national aspiration. I would require far more in-depth information to persuade me to vote against something so fundamental, a national aspiration that has been ratified, in my opinion by this Court and government on more than one occasion.

Why was there no wider opinion poll undertaken? It is important enough, I would have thought, for a referendum to gauge opinion, not to go the full hog but to gauge how the residents of this Island felt should we enshrine our desire for the future, not for the revolution but for something to work towards when feasible, and I endorse the hon. member for Onchan, Mr Cannell's, comments in that light.

The hon. member for Ramsey, Mr Bell, has got this issue right in his recent article in the press illustrating the

need to generate a more complete public opinion so we, the elected members, are more able to accurately gauge the majority view of the public of this Island. I would agree with those sentiments.

This report recommends, as I say, a fundamental policy u-turn from aiming towards a more complete self-government and a real possibility of developing further in time to doing nothing, head-in-the-sand approach. It takes away any notion of an evolutionary process, as far as I can see, towards as independent as we can practically get situation and turns on its head any previous will and feeling of this Court, or anyone else for that matter. There will now, if this motion is accepted - and I sincerely hope it is not in its present format - mean no further work on furthering our constitutional development towards a more complete self-government and the stepping stones that were mentioned in 1981. And I read that as working and negotiating our way towards a more autonomous Island than that which we have at present. And why not? Why deny the rich heritage of this Island? Why deny our culture, people, nation and country a more complete self-government? This phrase may not be as clear as we like, but it does encompass the options of constitutional development - or I think it does - and work towards that end. Now we just stop that, or at least that is one way it can be clearly interpreted. Give up on it and only come back if we feel the need, just like the Residence Bill - pull the teeth out of it and call it a job.

I think that is a disservice to the Island and its people. We will lose the chance to have that important specialness. Nations are at war now over this issue. Hundreds of thousands of people, if not millions, have died trying to establish this principle over the last 30 years, and here we are being invited just to give it up, hand the heart of the Island on a plate to Westminster. Well, I am astonished, and members of Tynwald have actually subscribed to this and signed this thing - and, as far as I am concerned, to that extent it is a thing; I wonder what kind of message this will send out all over the world. Well, I know of one message out on the internet now and unfortunately it reads 'Manx chicken out of independence', and the message I get from that is we have not got what it takes. There is an old Manx phrase: 'A Manxman is always wiser after the fair' and it certainly will be true of this: discussing to put on hold our very soul in our national parliament, the very thing which makes us special and stand out.

Well, as far as I am concerned the signatories who sign this thing, which has all the bite of a rubber duck, should be ashamed of themselves! At the very least, they could have clarified what working towards more complete self-government means and leave the national aspiration element in there. What happened to vision, national pride, national identity, the future? Just because things have settled down for now, are we really naive enough to think that there will not be another Edwards, there will not be further international threats from time to time? I say we should work towards the strongest possible base we can in order to achieve the very best for our Island and from the strongest, most unassailable position we can endeavour to make. And before we start getting jittery, I am not talking about revolution, I am talking about evolving towards the

goal of a complete self-government, an Island autonomy we can attain and honouring the will of this Court in 1981. I am talking about, as I say, negotiation and discussion and planning.

The one piece of existing policy and feeling which addresses a sense of national identity and working towards strengthening that position I feel we are being invited to throw away. Well, I am sorry; as laudable as the arguments are within this thing, as far as I am concerned it is a big whitewash. If we cannot get anywhere or do not have to do anything let us not bother. I call it shirking our national duties and responsibilities. I do not care if the issues have been examined, albeit in a very small fashion.

How can the national government of the Isle of Man come to the national parliament, the oldest continuous parliament in the world, and place a motion which effectively stifles our national right and desire? We become directionless, lose our identity. In time we will be nothing but a cosmopolitan business community with no present link to our roots and heritage, no vision to guide us to the future, on a route that respects and builds on all we are now, all we have now. It will be what we used to be, but in all likelihood this factor will be explained to future generations by folk who have no real Manx connections telling the Island's history probably on an introductory course to the next wave of finance sector staff coming to live here. 'That is what there used to be' will be the quote - one step closer to becoming a section of Lancashire county engulfed. Why cannot we keep the principle alive and bright? It does not mean shipping in crates of kalashnikov automatic rifles, it does not mean going berserk, but it means keeping something special somewhere in the background - and what is wrong with a vision and all that motivates and keeps us vibrant and alive?

We need to keep sight of the whole Island and all its people, including the Manx folk. This motion is selling the Island, its local people and residents alike, and our rich history, and I am not comfortable with it. Our hon. member and my hon. friend from Onchan, Mr Karran, who often uses the phrases 'doormat mentality' and 'forelock-tugging', 'forelock-touching' et cetera, call is what you will - giving this principle up is nothing short of that. Hon. members want to think about that and what it is that they are being asked to do as a national parliament, because the first thing that will happen when the criticism comes, as it surely will, is that Tynwald will be blamed: 'They voted out their own right to heritage and national identity.' It is little wonder that there is a lack of national pride at times and poor belief in our products and produce. I have to kick myself when I hear our own farmers and butchers go on public record about the poor quality of Manx produce.

Mrs Crowe: Hang on!

Mr Henderson: We have the best in the world. We just have to believe in it and have a vision. We always do ourselves down, and these are some of the poorest examples, because the message this gives out is, we have no confidence in ourselves, will spill out all over the place and trickle downwards, cementing the belief of low national pride and poor supporting confidence in our produce.

Well, I do not want to be party to that, and what I would say is that we should look carefully at what we are actually voting in here and think carefully about the amendment moved by the hon. member Mr Karran, because I think that might be a sensible compromise and commonsense approach and way forward to this contentious issue.

The President: Sir Miles Walker.

Sir Miles Walker: Yes, thank you, Mr President. We have heard two members, the hon. member for Ayre, Mr Quine, and the hon. member who has just resumed his seat, put their interpretation on to the recommendation that is in front of us today, and they both come out with completely opposing points of view. I have to say that my point of view coincides with that of the hon. member for Ayre, Mr Quine. I am convinced -

A Member: Convinced!

Sir Miles Walker: - and it happens from time to time. *(Laughter)*

Mr Delaney: Send him a membership form in here!

Mr Karran: These old colonials stick together! *(Laughter)*

Sir Miles Walker: Well, hon. member, I think you are in danger of not sticking with anybody at the moment!

Mr President, if we look at the resolution, the policy that has been adopted by Tynwald for over 20 years, it is very simple and it says, 'to promote and continue the evolution of the constitutional relationship between the Isle of Man and the United Kingdom towards more complete self-government' - we have heard that before - 'To promote and defend vigorously the Island's autonomy in relation to its internal affairs' and 'to retain the link with the Crown'.

Mr Quine: That is important.

Sir Miles Walker: Now, against that we have the recommendation that is in the report put forward by the Chief Minister today, and it says very clearly, 'within the current status as a Crown dependency to pursue the continuing constitutional development of the Isle of Man' - so there is no usurping of the policy of continual development on that one - 'and to do it by promoting and defending vigorously the Island's autonomy in relation to its internal affairs' and 'seeking to extend the Isle of Man's influence over external issues affecting the Island by maintaining and extending the Island's direct representation at international bodies but acknowledging the option of seeking independence as a sovereign state' - and those are the important words, *as a sovereign state* - 'if circumstances were to change and if that were to be the wish of the people.'

I suggest that if Tynwald adopts that resolution it gives us a way forward. If we stay with our old resolution we struggle to find a way forward within the terms of it, and that is reality. Members may find the report thin, as has

been suggested, and I suppose it is right that debate of this sort has some emotion in it. I understand that; that is quite proper. My starting position, as with many other members, I suppose, is at a general election, when we realise that the people in the Isle of Man are out there voting for us, for their members of parliament - it is the Members of the House of Keys and we elect the Legislative Council. They are out there voting for us and they do not vote for anybody else; they do not vote for anybody in Westminster unless they happen to have some residual base in the UK or something. It seems to me, as far as that is concerned, that we should make all the decisions affecting their livelihoods. Now, they might not like the thought of that very much but I have to say that is my starting point.

Against that we have to appreciate, I think, a number of things: we have to appreciate the size of the Isle of Man; the depth of the economy; our ability or inability to negotiate internationally and all those things. I think it is important we take those into account when we are debating and thinking about a subject as important as this, and I do not think we should gloss over the situation on nationality, for instance. I am a Manxman and my family has been here at least since the 1600s, but it is important - and I like to call myself Manx, but British nationality is also important to me (**Mr Downie:** Hear, hear.) and I believe it is important to the majority of those 12,000 people who could not by right claim British nationality. Is it right that we think about seeking independence, ignoring that nationality issue without resorting to the people? Now, the members, I would suggest, who have stood up today and made emotional speeches about independence and wanting to achieve it should stand at the next election on an independence ticket. (**Members:** Hear, hear.) That is the way to find out what the people are thinking. Make it very clear that if elected you will pursue independence within 10 years, within five years or tomorrow and see what the people say, and if a majority of members are re-elected on that basis, then, as far as I am concerned, that is fine, but I do believe it is an important issue and it needs to be addressed in that way.

Our relationship with the European Union - and again the Chief Minister touched on this - is of fundamental importance. Now, at the moment our relationship is through the United Kingdom because we are a Crown dependency. You remove that relationship as a Crown dependency and we have to negotiate something different. Now, it may be we can negotiate something just as good - and I know it has got its warts as well - but maybe we will not either, and I guess that is in my mind a greater possibility than construing something better than our current relationship, and so we should be very, very careful about how we take that one forward.

The other matter is the Customs and Excise Agreement, and it may be that we can negotiate another Customs and Excise Agreement with the United Kingdom. Nobody has said, and the Chief Minister certainly did not say that we could not do that, but what we know is we have got a reasonable agreement at the moment which I believe we should hang on to, and we are unlikely to negotiate better.

Mr Cannell: What if they pull the plug on it?

Sir Miles Walker: Now, if we are forced to negotiate, then let us get out there and negotiate and see if we can get some improvements, but I think on that particular issue I would wait for the other side to initiate those talks, as I would with our relationship on health, on education, and I have mentioned protocol 3. There is nothing to say that we cannot have a reciprocal agreement with the UK on their health services. They have negotiated that with lots of countries; I am sure they would with us. And it means that, as far as I understand it, we would get the same treatment if we fell ill in the United Kingdom as one of their people get, and the other side of that is that we would agree to the same.

Mr Cannell: Not in Spain, though.

Sir Miles Walker: Yes, if we have a reciprocal health agreement with Spain we get the same treatment in Spain as a Spanish individual gets, not as we would get in the United Kingdom; we will get what is in Spain. What we would not get, I would suggest, in that reciprocal agreement would be a very good service for our people where they need medical treatment that cannot be attained within this Island, and I believe we have a good relationship on that. And set out to renegotiate it? Do we really believe at this stage we would get a better agreement than the one we have got? Perhaps we would, but are we going to risk it because of some hope for independence, whatever that may mean in this day and age?

Let us strive for more and more autonomy. Let us strive to represent ourselves in as many forums as it is possible to get. Let us do all those things, but we can do them without committing ourselves to the unknown, and that is the thing that concerns me, a commitment to the unknown, and I believe that we should keep our feet very firmly on the ground and appreciate the risks that we are talking about.

We also have to afford independence. We have to be economically viable as a unit and, okay, the economy is developing well out there. I want to see it to continue to evolve, but I do not think that economically this little Island of ours is strong enough to sustain independence. I think we have to drive that economy forward; we have to have changes in the profile of the population in the Isle of Man. There is an awful lot of things that have to happen before the time is right for independence which will, I am sure, in the fullness of time happen and I will be one that will be pleased when it happens, but I really do not think that we should prejudice the situation of our community at this time by going for independence in a way that is not properly thought out, and there are an awful lot of questions there, hon. members, that need to be pursued, need to be clarified and need to be negotiated, and I am sure we are not there yet. We are not talking about whether or not 12,000 people can continue to have jobs in the UK if they so desire; we are talking about nationality, which is much more fundamental, I believe, than just the right to work.

So, hon. members, I do hope that if the hon. member who has just resumed his seat will reread the recommendation in this, he will see that it takes us further forward than the resolution of Tynwald that was promoted

over 20 years ago when circumstances were quite different. The steps that need to be taken for independence are less clear now than they were 20 years ago. There were a number of issues that had to be dealt with 20 years ago that have been one by one by one. Think of the issues now, and they are much more difficult to get abreast of. I do not think that we should gloss over the fact that we have changed the machinery of government internally in a way that is beneficial. There have been tremendous changes internally. We now have a system, I feel, that is robust enough - and it was mentioned in the report - to take us into independence if that is forced on us for some reason or other. Twenty years ago we could not have done that. We have a system of a local authority committee system of government that was not robust enough. There have been massive changes. Let us recognise that and let us carry on with those changes so that, when the time is right, that independence can be attained.

Mr President, I am convinced that that time is not right now and that we should follow the recommendation in this report, and it will take us forward, sir.

The President: Mr Speaker.

The Speaker: Mr President, I will be brief. I have listened with great interest to what has been said and I have always been pro-independent. As the world moves on, hon. members, I ask myself, what would we be independent of? If we became, so we say, a sovereign state, would we be outside Europe or inside Europe? If we are inside Europe we would lose our sovereignty as much as we have sovereignty now. Only earlier this afternoon you were debating sheep and goats and whether they had to have tags on their ears. (**Mr Delaney:** Hear, hear.) If you were independent and situated where we are and exporting our lamb, we would have to conform with all the European regulations, (**Mr Gilbey:** Hear, hear.) and the very first issue of any country having independence is its monetary system. No country is independent unless it has its own currency. We do not have our own currency; our currency is sterling. When Lloyds Bank come to the Treasury and ask for half a million pounds of Manx £5 notes they have to deposit half a million sterling with the Treasury because otherwise it would be paper, and that is why in your accounts you have got a currency reserve against the money issued - and I know what I am talking about; I have been Treasury minister. (*Laughter*)

So if you were going to be independent you would have to decide your currency (**A Member:** Hear, hear.) and would you then join the euro? We had all this debate nearly two years ago in the House of Keys, and I remember the hon. member for Onchan, Mr Cannell, trying to rubbish me when I said if you wanted an independent Manx currency you would have to align it with a major international currency, whether it is the euro, the dollar or the yen, because for trading purposes people would not trade with you with Manx currency. How far do you get in London with a Manx £10 note?

Mrs Crowe: It is Liverpool now.

The Speaker: In Liverpool. I am Manx of ancient lineage, like very many of you in this Court, and I would love to see independence, but the world moves on, hon. members, and in 2010 who knows? - I do not know - it might well be the United States of Europe and the currency is the euro. It might not, but what are we going for independence for, those who talk of independence? Twenty years ago, 30 years ago we could all understand independence, but not now. The world is aligning itself in trading blocks. Even in Europe now - Poland, Hungary, Czechoslovakia - they are wanting to surrender their independence to join the euro and then they will have to conform with sheep and goats regulations and everybody else's regulations that come out of Brussels.

What we have got, I suggest we keep. What we have got we improve upon as best we can, and bear in mind that outside there the younger people are in good jobs, in full employment, and above all they want to keep them. I am fortunate. I have got three of my young family out there in good jobs earning good money, and I am quite convinced from what they tell me that they do not want to rock the boat and go back to the stories they have heard from me and from others of hard times in the Isle of Man. They are enjoying their full employment, their monthly pay cheques, their holidays and their high standard of living, and to return to what was 20 years ago here is too awful to contemplate (**A Member:** Hear, hear.) and they would never, ever thank you.

So what I am saying to hon. members, support what we have got, encourage as much greater autonomy as we can, but to think of independence while we are running as smoothly as we are is too awful to contemplate. The Americans have a wonderful expression: 'If it ain't broke, don't fix it'.

Mr Delaney: Unless it is an election! (*Interjections and laughter*)

The Speaker: And at the moment the Isle of Man is not broke and I do not really think it needs fixing, but do our best to have greater autonomy, but to step into that wide unknown to some sort of independence, which may be even less independent as you find you have to join Europe or other some other block or some other trading block in which to survive. . . ?

Hon. members, I am as Manx as any here. I am as for independence as any, but I try to keep both feet on the ground. We are enjoying economic success, our people are relatively happy, we can do a lot to improve their lot, but it ain't broke; let us not fix it and let us support what the Chief Minister has before us today.

A Member: Hear, hear.

The President: Now, hon. members, I still have four members on my list who have indicated that they wish to speak, plus the Chief Minister to wind up the debate. The question is, do we break for tea now -

Members: Yes.

The President: - or do we try to complete this debate and come back and try to complete the agenda? (*Interjections*)

Mr Brown: I propose we finish this debate, sir.

A Member: Agreed.

Mr Delaney: A cup of tea! (*Laughter*)

The President: Hon. members, I will break for a cup of tea at this point. Thank you. The Court will resume at twenty past five.

The Court adjourned at 4.59 p.m.

Independence – Implications – Debate Concluded – Motion Carried

The President: Now we resume our debate, hon. members, on the report and I call on the hon. member for Council, Mr Crowe.

Mr Crowe: Thank you, Mr President. I speak as a Manxman born here with both parents and both sets of grandparents born on the Isle of Man. I also had the benefit of studying Isle of Man history at school when I went to school many, many years ago and my other qualification to speak this afternoon - I am a member of the committee and I am happy to support the report.

It just surprises me at some of the comments been made today as to maybe the misinterpretation of some of what the committee is trying to achieve, and I think, as others have said - and I put my name down again before Sir Miles was going to speak and he has actually said a lot of what I was going to say - we are not saying no to independence in the future. We are not saying never to independence; we are saying the time is not right at this moment, but if events change then we will go for it, or recommend that we would go for it if there was a will of the people that wanted independence. The political scene is a constantly changing one and the problems we face internationally just will not go away. They will not disappear just by declaring independence. We still have to negotiate a way out of problems of an international nature and context. So, using the quote 'No man is an island' we need co-operation from other governments, and international business transcends all frontiers. We just cannot pull up the drawbridge and hope that all our problems will go away. As others have stated, we are recommending a new policy that clearly states the Island's intentions and ambitions, and I will certainly be supporting this motion today.

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

Mr Rodan: Mr President, I do not have the advantage of coming from the position (*Interjection and laughter*) of being a born Manxman, the position of which I fully understand when one has an emotional commitment to

fulfilling national aspirations. I can understand that, but very obviously I cannot speak from that position; I speak from a different perspective, but I hope, Mr President, it will be one that may have something useful to say.

I believe that it was a wise civil servant who once said that politics was the pleasure principle but administration was the reality principle. Now, we have had a number of politicians this afternoon indulging, I think, in psychological gratification, if one can put it that way, but the reality of administering a nation, I suggest, is better expressed in actually what we read in this report, which is written soberly and non-emotionally and is a statement of the present position.

The first question I would ask is, have members actually read it and, if they have read it, have they understood it? Could I suggest by starting with the front cover, right at the top, the first words one reads is 'Fourth Interim Report on Future Constitutional Objectives.' Now the word 'interim', I suggest, means that this is not the last word on the matter and that there will be other reports coming forward reporting on constitutional objectives at that time, as viewed from a future position in time. This report deals with the implications of independence on the basis of the situation as it is now and the reality that this administration, or any administration, is faced with. So this does reflect an evolutionary situation and members have said quite explicitly that it does not, but it does by definition.

Now, it is a slim report and if it has a flaw - and I say this genuinely - I think it is to be regretted that there is not a bibliography or an appendix actually that details the extensive references that the committee had access to during the course of compiling this very slim report, because if it did I think there might be a fuller appreciation that because it is slim it does not apply slimness of thought or that not much time was spent because many, many hours over a period of years has actually been spent on this.

Now, if there was a bibliography for example, we could refer to the other models that were looked at by the committee short of full sovereign statehood, because the present position of policy that has been referred to is one that is imprecise when it refers to 'more complete self-government in accordance with the declared and accepted policy of the United Nations for the self-determination of peoples of dependent territories.'

So an early matter that was examined was, short of sovereign statehood what other examples existed? And there were other examples, and they were what were called in the 1960s 'Associated States', which were Caribbean territories which were evolving towards, it was presumed, full sovereign independence, but a halfway house was put in place for a number of years which in effect left the United Kingdom with responsibility solely for external representation and defence, a position that you might think not unlike the Isle of Man. The problem with that was that by granting internal self-government the territories had sovereignty over matters for which the UK were to be held internationally accountable; that was the difficulty and therefore that model soon fell out of favour and it was not pursued, and the territories evolved into full independence within the Commonwealth. So that was looked at and that is on page 16 of the report. It is stated what was done there, 'Associated Statehood', section 4.23 onwards.

What is not in the report - perhaps it should have been - was the extent to which we looked at other models on the European mainland, the so-called 'micro-states' of Europe and one of them has been referred to already; I think the hon. member for Onchan, Mr Karran, referred to San Marino. There is San Marino, there is Vatican City, Andorra, Liechtenstein and Monaco, which are all nominally independent and they all have seats in the UN. Within the last 10 years they achieved that, but in every case they are in monetary union with a larger state. Now, of course the Isle of Man is in a state of monetary union with the United Kingdom and therefore it was a useful exercise to look at those states and to see whether they would serve as models for us, and I think what we concluded was that they were brought about by their own accidents of history. Just as the Isle of Man's proud situation of a thousand years of self-determination, in large part, is a product of Manx history and the history of the British Isles, so we cannot deny our past and there is little point in moving to another model which followed a different historical path, but nonetheless we did look at that.

Now, this report has been called by one as a defence of the status quo. I will not reiterate what the status quo is, because it is quoted on page 8 and the hon. member for Rushen, Sir Miles Walker referred to it, but of course it is aspiring to more complete self-government, and I think this does highlight that we are in a moving feast here, and undeniably what is proposed between page 8 of the statement of the status quo and page 33, the end of the report, on the proposed policy is a considerable advance in the status quo, and the main advance that I see is that the proposed policy uses the I-word, which I think until recent years would have been inconceivable for government to have as a statement of policy, acknowledging the option of seeking independence as a sovereign state. Now, the earlier Tynwald resolution of 1981 never referred to the I-word. I think it would have been unthinkable then for Tynwald to have done so, but here we are, we have progressed from merely promoting and defending vigorously the Island's autonomy in relation to its internal affairs and retaining the link to the Crown to, in addition, extending the Isle of Man's influence over external issues affecting the Island, by extending the Island's direct representation on international bodies and aspiring to independence as a sovereign state if circumstances were to change and if that were to be the wish of the people - a very significant advance, and of course the trouble is one can read into the report what one wants to read into and, because it has not boldly stated, as the hon. member for Onchan, Mr Cannell, has said with his clarion call for independence by 2010, it is thought to be deficient.

Now, I know that Mr Cannell attended the seminar for members that was held, and he will forgive me if I recall that he went into the seminar very keen on the idea of independence, and having had that day that we had, thrashing out the wide range of implications and the costs and the issues that would have to be addressed, he came out, let us say, considerably less enthusiastic than when he went in and none the worse for that, but I think that was a day of reality; today is a day of psychological gratification

for him. It is great to have a clarion call for independence, but I do not agree with him that it is a sad day today because we have not set that target to set a date, because I think it would be highly irresponsible for a government rooted in reality to so declare a date, irrespective of the circumstances that would prevail at the time. Nobody knows what the circumstances will be.

What we can say is that under present circumstances the Island is in an international situation and relies on the United Kingdom for two things: first of all, the United Kingdom has a direct responsibility for treaty relationships for the Isle of Man and it has a relationship to defend our interests on the international stage, and it has a duty to do so, even where those interests do not necessarily coincide with their own interests.

Now, if one thinks about that I think one can understand perhaps what is meant in the report when talking about a generally benign nature of the UK at the present time and displaying a willingness to defend the Island internationally, because the UK is subject to international political pressures in consequence of its EU obligations for one and in consequence of OECD and the changing norms of conducting business internationally, and has a political accountability for the Isle of Man, one that is not always comfortable for us, but the evidence, such as it is, is that in very recent years since the time of Edwards the UK has been able to understand more fully where the Island is coming from and has shown by its actions, by what it says and what it does in these forums, that there is at least fuller understanding of the Island's position, and understanding is halfway there to actually doing something on our behalf.

The danger, of course, where circumstances could change, is where the UK's interest ceases to coincide with those of the Isle of Man and that is a new ball game then, and options, I suggest, in that situation will have to be reappraised. What the motion says is that if circumstances were to change sufficiently a different constitutional relationship may be necessary in the Isle of Man's interest. That is what is being said there. That is something that was never said before, so I think it is very significant.

The hon. member for Ayre referred to lack of reference to Royal Assent in the report. Now, the problem with Royal Assent will disappear, of course, if the Isle of Man becomes a sovereign state. The position is perfectly clear: there is no more that need be said about Royal Assent. There is no halfway house possible for the granting of Royal Assent to Isle of Man legislation on the advice of Isle of Man Government ministers short of independent statehood. That has been said before; perhaps that fact should have been stated in here, but there is no halfway house possible that will satisfy the hon. member, Mr Karran, on this one.

Mr President, I hope and I suspect the Court will endorse this report. It represents a good deal of work. It is not the last word on the matter and I have no doubt that government will have to monitor the changing circumstances in which the Island finds itself internationally and will have to revisit the existing situation and possibly re-cost the implications of independence as we have presently identified them, and accepting this report allows that to happen.

The President: The hon. member for Council, Mr Delaney.

Mr Delaney: Thank you, Mr President. It is interesting to reflect how time goes by and situations change, and the hon. member for Rushen, Mr Walker, pointed out that anybody standing for the next election as a nationalist, of course, would be in some difficulty. Well, of course we all know that because in this Court at the moment there are two people who stood unsuccessfully in the nationalist colours and did not get elected so they became independents, so we know there is not much chance 25 years on, as the circumstances of the Island have improved that much since the 1970s, that this would be a good bet for anyone to do, but nevertheless there is nothing wrong with being a nationalist, nothing at all - all for it, as long as it is done in the best interests of the whole community.

What worries me about this report is the wording. I understood, and I was delighted when it was happening - I am looking at the 'Conclusions and Recommendations', 7.1, and I have been lucky enough over 13 years, when I want to know anything about the constitution, I have gone to the best expert we have got in this Island and probably most of the western world, our learned Clerk (**Several Members:** Hear, hear.) and I am worried about when he is gone, because I have no-one to go to who really knows as much as he knows. (**Members:** Hear, hear.) It says here, 'The Crown retains responsibility for the Island's defence' - good, I can agree to that, I served with it - 'for external representation' - well, I have used externals and a lot of people I know have been to see the Crown's representatives in different places - 'and for the ultimate good government of the Island.' Now, hands up those members who honestly know what the Crown is and who the Crown is? Not a lot of hands would go up, because it depends who you speak to. I am lucky; as I have said, I spoke to the Clerk who has explained what he believes it is, and I believe him, but there are 660 members of another parliament across the water of which only a handful do not think they have a direct say in what goes on in this Island. (**A Member:** Hear, hear.) All those politicians at Westminster think they ultimately can tell us what we can do and what we cannot do -

Mr Brown: We know different.

Mr Delaney: - and when you go back through *Hansard* when this question has been raised about the Crown, the situation is that Westminster Parliament is responsible for good government here, they believe. We believe, as the Clerk has told me and he has told a lot of members here, it is the Privy Council and those in power who advise the Queen and that group. I will accept that, but I still do not believe they have a right to tell this jurisdiction what is in their interests, and if that is being a nationalist, hang me tomorrow, because that is not independence; that is not anything. When some other government is responsible for us, we then become subservient.

I accept the defence, as was mentioned by the hon. member, Mr Rodan, what they had in the smaller islands around the world. I expect the representation, which I am

even prepared to pay towards, but not to them saying to us - and this is going to happen in the future - when we want and are doing things to benefit our community that they do not like, them boys are going to put the pressure on, and do not kid yourselves they will not. They believe they have the right to do it and we, even in our report, are saying they have the right. I do not see anything in this report that says we deny that. Well, I deny it. Dominic Delaney. I have not been here as long as Sir Miles Walker, I have not been here since the 1500s, I sometimes sound as though I have, (*Interjection*) but the situation is, as I believe, I have been elected to this Court originally, I am here now because I was put in by you and I just do not believe that to be a member of a government you cannot be that and be told ultimately by another government that what you are doing is wrong; you are not running it as they think fit. The people, the ultimate deciders of good government, are the electorate out there in the Isle of Man. They will hire you and they will fire you and that is the decision of democracy, not what Westminster think is in their interests.

Now, I am not saying I am going to vote against this. I am just bringing it to the attention of the Chief Minister. He can tell the members in the summing up what he believes the Crown is, but somebody had better get the message to Westminster that those 660-odd members ain't the Crown, because they all are of the opinion they are, and I was only recently talking to some new colleagues from the Scottish Parliament and they were trying to clarify exactly what our position was to me, and no way would I accept that somebody who has been elected for Basildon or anywhere else can tell our Chief Minister and his government and this Court what is in the interest of the Manx people better than we can. So I hope the Chief Minister will just give us the clarity, for the members who are feeling nationalistic, what it is he believes the Crown is and what he believes they can and cannot tell us.

Mr Rodan mentioned the fact about not being a Manxman. As far as I am concerned, anyone in this Island - and I will say it again - who has come here to take part in our community and contributes to the Isle of Man is a Manxman and he is our responsibility, and this idea that they have got to be here several generations. . . I am not sure if it was George Bernard Shaw said, 'It is a clever man who believes who his father is, but it is a genius who knows who his father is' think about it! I think that anyone who is here - if we do not say to them 'Welcome, we are proud to have you here, contribute what you can' - do not be worried about whether he has been here two or three generations, he is here and his children will be here after we are dead and gone, and that is what we should be looking to for Manxmen.

At the same time, Mr Walker, we mentioned about the 12,000 off the Island. I am delighted we are worried about them, because we were not worried about them when the pensions come and they want to come back and they would not get any pension supplement. (*Interjections*) Let us be straight on this. These are the situations where we can jump horses in mid-stream - very easy to do it and I know it is politics to do it, but the fact of it is, if we are going to be worried about them, let us worry about them right across the board.

Mr President, the report is good and solid in what it finds, but I would be much more interested if this report after it was finished with the passage through here, would be able to be sent back to Westminster, whoever thinks they are the Crown, and in it somewhere it would have said, 'We do not accept that you are responsible for the good government of the Isle of Man.' We are responsible for good government of the Isle of Man and the people who put us here. Now that is the message that we should be sending to Westminster, not the idea that we are subservient and I know that we have got to work with them. Britain itself is not independent of anything else, it is totally tied up in Europe -

The Speaker: Absolutely!

Mr Delaney: The parties in Westminster - you see them on the television every night fighting over whether they are going to join the Euro or what they will do or what they will not do. They are in that position, they are the big boys; we are only small players. We have got to work with other people in this world to make it work for our people, but that does not mean to say we should not have a nationalistic base, and that base is the fact that we think we do well in the Isle of Man because we are working right for our people and making the right decisions, and that is the element of politics that I totally believe in at the end of the day. We will make mistakes, but what we should do is subject to the people; if they think we are doing it wrong, they get shut of us. (**Mr Cretney:** Hear, hear.)

Mr President, I congratulate the committee on the work they have put into this. As the member, Mr Rodan, said, this is only interim, this is only a part, but I would like someone to tell us, and certainly the Chief Minister, that someone is going to get the message back to Whitehall and all those fellows down there that they are not responsible for good government and there is no written thing I can find that says we ever agreed they would be responsible. Nobody has ever signed anything to say that they would be ultimately responsible. It is a historic fact that they want to quote to suit them, but there is nothing in a charter of any sort or any description that says we will give ultimate decision-making to them in relation to the people of this Island.

The President: The Chief Minister to reply.

Mr Gelling: Yes, thank you, Mr President. I think basically I would like first of all to thank the members of the committee who have made their contributions and, I think, perhaps put a bit of balance back into the debate that we have had on 'The Implications of Independence', fourth interim report, and I began to think that perhaps I had taken a liberty by saying everyone had read it quite diligently, but obviously some have thought that this was the end of the road, and indeed it is not the end of the road; it is the fourth interim report of the committees who have sat - and there have been quite a number of different people on those committees over the years - and this is the situation at this time.

Then we had the quotes 'the door is shut.' 'independence is gone,' 'what will the rest of the world think of us?' and

so on. Well, I would suggest that again, if the members look at the actual conclusions, the reason we have asked that Tynwald Court back the changed policy was for the very reason as illustrated by the hon. member for Garff, because it puts more emphasis on the position that we will vigorously defend our autonomy but, not only that, we will be looking for more representation. It is not the end; it is another stepping stone toward that autonomy that we are looking for, but what we are trying to do is be honest and straightforward with hon. members by giving a report that is concise. Now, perhaps we should have given all members the appendices; I can tell you it is about that deep, and of course this is what you get accused of. It is not a case of 'Did you look at other . . .?'; it was 'Why didn't you look at . . .?' But of course we did. You name it - we have not been there; it would have been nice to have gone and had a look, but we certainly had the research on every one of these dependencies or those that have got sovereign statehood and how they got there, and whether there was an interim place that we perhaps could be and so on. So basically, yes, we have done all that research and we came forward with that interim report, saying to hon. members, 'Stay with us, because we have not put independence on the back burner; We have not put it away and the door is shut.' That is not the case at all.

Now, while I just think on, the hon. members of the committee who have made their contribution and, as I say, I think straightened out a lot of, perhaps, the perceptions that go wrong, but there is one member who is not here today and was on the committee and therefore could not make a contribution. An hon. member said when we go to the Home Office we only see civil servants and officers. Today I should also have been at 11 Downing Street with the Treasury minister and two of our senior ministers meeting at 11 Downing Street with Dawn Primarolo, the Paymaster General who is a political animal, and Lord Bassam. Now, this is where we are today. I know when I first came into this Court and was going down to London some of my elders said to me, 'You're wasting your time, you'll go down, you'll be given an hour and you'll be told to go and you'll get nowhere.' I would suggest to hon. members that if you start to analyse all these little moves forward, we have moved a great deal over the last few years and I would say to hon. members, you must be patient with this type of evolving of our constitution; it is not done overnight, it is not something you can do, and the suggestion being perhaps put forward that to be poor and independent is great - I would suggest to hon. members that that is not the case. I do not want to go back to when I was a child and I do not want my grandchildren to do what I perhaps had to do because I can recall what things were like in the wartime just before and after.

So I believe that we are in a situation that the comment about, 'Look what we did today, we gave our pensioners more' - how could we give our pensioners more? Because the economy is right for us to do so. So to say, again, that there is a lot of economy in here and a lot of this is because of our economy - I would say, 'Of course it is because that is the situation we are in.' The present snapshot of the situation of today is that we are saying not that you cannot get another agreement - I did not say that; I said we would

have to get another agreement to replace perhaps protocol 3. We would have to get another agreement perhaps to replace the customs agreement. Now, again I would say to hon. members the number of people that come to our shores from other jurisdictions who just cannot believe that we have protocol 3; they do not know how it was ever actually negotiated. Now, some tell me that it was perhaps by a little bit of an accident that it happened. I do not care how it happened but that protocol 3 and the situation the Isle of Man finds itself in is an excellent situation and we would do very well indeed, I would suggest, to negotiate such an agreement today. I would again say that it would not be on.

So we are not being defensive; what we are saying to hon. members is at the moment we cannot see a situation where we would want to go for independence now, but we are leaving very much in the policy change - the situation that if it changed we would certainly want to do so; not in 10 years' time, it might be very well one year's time that we might be having to look at it because things are moving exceedingly fast, and I would suggest that what this gives us is a basis on another report. The committee are not going to stop. The committee will continue to look at areas where we feel we can get more autonomy and more say for our Island in international affairs.

Now, I must say again we started off with our crest being criticised. Well, the hon. member has criticised the crest ever since it appeared and, fine, I know his opinion of it, but the one thing I would say is at least it is one that we ourselves have put there; the other one was forced upon us.

Mr Delaney: We were stuck to it.

Mr Gelling: So if the two birds offend us, well, that is fine but at least it is one we made ourselves and there will be some who do not like it, but basically I think this is the individuality that we have got to really stamp on, that these thoughts are coming out of our government and our parliament and again the situation with independence even today - and I am not being defensive - is different. I think Mr Speaker raised the point, independent from what? And of course that is the situation today that is different than what it was perhaps in the last century for the simple reason that it is more collective, we are not finding individual small areas going out on their own. So we have obviously considered all of that.

Basically I think we have had a well-balanced debate because a motion does come into it. I do not think anyone would deny that to be independent and to be able to operate in this big wide world of international business would be great if we could get the right arrangements, the right agreements, and I do not think just at this time, as did the committee, that that time is now, but we are certainly not closing any door; we are leaving the door very much ajar so that we can continue our deliberations and hopefully come forward, whoever that committee might be, with a fifth interim report.

The situation then was raised about the Crown. Well, of course, this again is where the Crown as the hon. member has said - Her Majesty the Queen, the Privy Councillor,

the Privy Councillor happens to be the Home Secretary and of course that is who we deal with. The fact that the Home Secretary says Lord Bassam is the minister to whom we speak - well, that is the situation but again it was said, 'When do we speak politician to politician?' Lord Bassam arrived here on the Island from a letter requesting his attendance in the Isle of Man and he came to the Isle of Man - I would suggest again that is probably a first. What he told us we might not have been all too enthusiastic about but he certainly knew what we felt and he went back to the Home Office with that message. Now, again these are steps forward which I maintain are good solid steps which we can pin down, nail them down and move on.

The next question that was raised was well what about the 600-odd people in ...? Quite honestly, the Isle of Man probably goes over their desk once in the whole of their term in Parliament. They are not probably interested even in the Isle of Man until they are confronted with it and they will obviously say, 'Well, what is the situation with the Isle of Man?' Now, I would say in the last 12 to 18 months there have been more questions asked, which again have been planted by ourselves with members in the Lords and otherwise, to ask the question, what is the position with the Isle of Man vis-à-vis the UK? And we have repeated the answer which has come through to us, the answer to see whether it suited us before it was actually proclaimed. Now, that has been said time and time again so they should be getting used to the fact that they know what the situation is, but also we like to see any of these decisions that are being made by the UK representing us always have that little tag at the bottom, and of course taking into consideration the constitutional position of the Isle of Man vis-à-vis the UK, so that it is not just the Parliament of the UK, it is Brussels, it is the German Government, we have seen a big difference in the way in which they now look upon the Isle of Man, and I would say the message is definitely getting home.

So - I know we have a lot more business on - I believe this is a very important debate, it is a very important motion, because I would like to think that hon. members of the Court will go along with the motion as it is on the paper because it is the way ahead. To vote against it or to say that it should only be received, I would say, would give certainly the Council of Ministers and the committee that are looking at it the wrong signal because it was obvious that we were not being encouraged to continue with what we are saying in this report, and that is that we should continue to look for independence. Not just a woolly area, it is now more defined that we should be looking down the road with no defined date but if it is an opportunity that we should take we should be in a position to take it. So in thanking everybody that has contributed to the debate I would say to hon. members: please support the report, which is an interim report, and allow the committee to continue its work and we can move forward, although it be slow in some members' minds, too slow, but, as I say, I would rather the committee, whoever that might be, move slowly and get success that is sustainable. Thank you, Mr President, I beg to move.

The President: Hon. members, the motion before the Court is that the Council of Ministers Report on the

Implications of Independence be received and the recommendation contained therein be approved and to that we have the amendment as moved by Mr Karran and circulated to you on the white paper to omit the words after 'received'. Those in favour of the amendment please say aye; against, no. The noes have it.

A division was called for and voting resulted as follows:

In the Keys -

For: Mr Henderson, Mrs Hannan and Mr Karran - 3

Against: Messrs Gilbey, Quine, Rodan, North, Sir Miles Walker, Mrs Crowe, Messrs Rimington, Brown, Houghton, Cretney, Duggan, Braidwood, Shimmin, Downie, Singer, Bell, Cannell, Gelling and the Speaker - 19

The Speaker: Mr President, the amendment fails to carry in the House of Keys, 3 votes in favour, 19 votes against.

In the Council -

For: None

Against: Messrs Lowey, Waft, Kniveton, Radcliffe, Mrs Christian, Messrs Delaney and Crowe - 7

The President: With all the members of the Council being against in line with the Keys the amendment fails to carry, so I therefore put the motion as printed at item 33 on the order paper, hon. members. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

A division was called for and voting resulted as follows:

In the Keys -

For: Messrs Gilbey, Quine, Rodan, North, Sir Miles Walker, Mrs Crowe, Messrs Rimington, Brown, Houghton, Henderson, Cretney, Duggan, Braidwood, Shimmin, Downie, Mrs Hannan, Messrs Singer, Bell, Cannell, Gelling and the Speaker - 21

Against: Mr Karran - 1

The Speaker: Mr President, the motion carries in the House of Keys 21 votes in favour and 1 vote against, sir.

In the Council -

For: Messrs Lowey, Waft, Kniveton, Radcliffe, Mrs Christian, Messrs Delaney and Crowe - 7

Against: None

The President: All the members of the Council voting for, the motion therefore carries, hon. members.

Economic Initiatives 2000-2001 on Double Taxation Agreements and Exchange of Information – First Report of the Standing Committee Received

The President: We turn now to item 34 and I call on the Chairman of the Standing Committee on Economic Initiatives, Mr Crowe, to move the motion printed at 34.

Mr Crowe: Thank you, Mr President, I beg to move:

That the First Report of the Standing Committee on Economic Initiatives 2000/2001 on Double Taxation Agreements and Exchange of Information be received and its recommendations approved.

On behalf of the committee I present this report against a backdrop of a rapidly changing external environment in which to conduct international business. External scrutiny of our affairs continues unabated by governments and international agencies and the call for greater transparency and exchange of information is apparent. The subject of double taxation agreements and exchange of information is therefore a very topical issue.

The body of the report provides a narrative and gives the reasoning for the strategies detailed in chapter 7 leading on to the recommendations we outline in chapter 8. There are three elements to our recommendations: the type of any new agreement, the method by which any new agreement would receive approval, and the future reporting to Tynwald.

Taking these in turn and firstly considering the type of agreement, in chapter 7 we outline our strategies and discuss the options, which are, firstly, renegotiation of the present double taxation agreement together with an independent or otherwise linked exchange of information agreement. If this strategy were to be adopted we would wish to see elements of the OECD model incorporated in a new agreement. We would also wish to see an exchange of information provision which addresses certain weaknesses to ensure that clarity is given to the manner and circumstances in which information is to be exchanged. Is it to be on request, spontaneous or automatic?

The second option would be to create a network of bilateral agreements which would help to support the Island's finance and commercial centres. One way this could be achieved would be by way of the inclusion of a territorial extension and a renegotiated bilateral double tax agreement with the United Kingdom, or alternatively by the Isle of Man seeking to enter into double taxation agreements with other jurisdictions in which Isle of Man companies have significant trading relationships.

In the third option we consider multilateral agreements. We do this in the light of complying with international standards of regulation and being aware of the concerns of international tax regimes about the erosion of their tax base. We believe that the wider issues raised by other international groups such as the EU, OECD and G7 should be brought into the equation. As we are being scrutinised by these bodies there are real benefits to be gained by

adopting a multilateral treaty on double taxation and certainly on exchange of information.

Our recommendations, then, as far as the type of agreement is concerned in essence is that government consider in particular the possibility of the strategy of promoting a multilateral agreement to deal with all of the complex issues rather than by having them dealt with in a fragmented manner. It would also be preferable to enter into any exchange of information as an integral part of a double taxation agreement rather than by just having a separate exchange of information agreement. Further, in any renegotiation we consider that the substantive provisions of the OECD model be included in preference to the limited provisions within the present agreement, which dates back to 1955. We also recommend that the mode and manner of the exchange is specified and that any new agreement fully complies with international and Manx legal standards, particularly standards of human rights and civil liberties.

If we turn next to the issue of the way in which any new agreement would be approved, under current legislation the statutory power to give domestic effect to double taxation agreements concluded by the Isle of Man is the Income Tax Act 1970, section 54. Section 54(1) empowers the Council of Ministers by order to declare that a specified arrangement has been made with another jurisdiction to provide relief from double taxation. The legal consequence of such a declaration is that the arrangement in respect of income or other taxes included in that agreement prevails over any other domestic legislation. Such an order by the Council of Ministers unlike orders made by the Treasury under section 54(4), does not appear to be subject to any statutory control, although as a matter of practice such an order is laid before Tynwald.

In the report we draw to the attention of hon. members the difference between the Isle of Man approach and the United Kingdom approach, where such draft orders regarding double taxation agreements require the approval of the House of Commons before the order may be made.

We also comment on the statutory basis for the implementation of exchange of information agreements in UK domestic law which was introduced in this year's UK Finance Act. Having then considered the form of approval and in view of the political and economic importance we are recommending that government, before concluding an agreement, bring it before Tynwald for consideration and approval and this be made a statutory requirement at the earliest opportunity.

An additional step would be for the Standing Committee on Constitutional Matters to be invited to consider and report on the feasibility of creating procedures. This would require the specified categories of international instrument be considered and approved by Tynwald in draft form before the government entered into them or agreed them.

Our final recommendation is that government report on progress on renegotiating the Isle of Man/United Kingdom Double Taxation Agreement at the July 2001 sitting of Tynwald.

To reinforce the issue of topicality of this whole subject I would mention that on Monday evening I attended a lecture entitled, 'The Island's position in relation to recent

international tax initiatives' given by Mr John Bryce, a recently retired UK Inland Revenue officer based in the international division. Mr Bryce has had extensive discussions with a number of countries, including the dependent territories, on exchange of information and double tax agreements. This subject is becoming a very public and high profile issue and of great interest to the private sector, many of whom attended the lecture which was promoted by the Institute of Management. Mr Bryce also touched on the wider issues such as the OECD report and our constitutional position under protocol 3. It was a very interesting talk and, in his view regarding the negotiations, no action is not an option; some change is necessary.

I feel sure that we all recognise that change is inevitable, and the committee, in bringing this report, believes that its recommendations are constructive and positive. Tynwald members are fully aware of the importance of the financial services sector to the Island, and other governments and international organisations must be made aware and recognise the legitimate concerns of a well-regulated financial centre and allow it to flourish.

Mr President, before concluding I would like to thank all those people detailed in appendix 1 who gave evidence, particularly Mr Ian Kelly, the Assessor of Income Tax. I would also like to place on record the committee's appreciation of the work undertaken by Professor Bates as clerk to the committee both in the research and got the advice given. Mr President, I beg to move the motion standing in my name.

Mr Braidwood: I beg to -

The President: Hon. member, Sir Miles.

Sir Miles Walker: Yes, I am pleased to second, Mr President, and reserve my remarks.

The President: Hon. member, Mr Quine.

Mr Quine: Yes, very quickly, sir. I think this is a very useful, very informative commentary dealing, of course, with these DTAs, as they are referred to, and I think the committee has provided a very useful service to members by focusing on this matter. It is certainly something that I had not thought about in any great detail although it is relevant and its importance, I think, is fairly transparent, but there are, I think, just two matters that I would like to touch upon simply to underline - I am not taking any different position from the committee - what I believe are two matters of importance.

The first point is that I wholly subscribe to the committee view that before government concludes any DTAs or information agreements those draft agreements should be tabled for consideration by this hon. Court. I strongly endorse that, and I also endorse the recommendation that the Standing Committee on the Constitution consider the feasibility of creating procedures which would require specified categories of international instrument to be approved by Tynwald so I would just like to stress those two points.

I think that is all I would like to say. I found it very useful, very informative and helpful but I would like to stress that those matters, I believe, should be matters that come before this hon. Court.

The President: Chairman to reply.

Mr Crowe: Thank you, Mr President. I was expecting a longer debate but I would thank Sir Miles, who seconded me, and Mr Braidwood, who tried to. I thank Mr Quine for his support on the points that he has made and with those few words I move the motion.

The President: The motion, hon. members, is printed at 34 on your order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Hon. members, conscious of the clock and of our standing orders I have to put it to you what the position currently is. It would appear to me, hon. members, that given goodwill we should be able to complete our agenda in fair time this evening.

Members: Hear, hear.

Supply of Services (Exclusion of Implied Terms) Order 1998 – Report of the Select Committee Received

The President: With your agreement, then, hon. members, we will continue and I would put item 35 and invite the chairman of the committee, Mr Shimmin, to move.

Mr Shimmin: Thank you, Mr President, I beg to move:

That the report of the Select Committee on the Supply of Services (Exclusion of Implied Terms) Order 1998 be received and its recommendations approved.

Mr Delaney: Agreed! (Laughter)

Mr Shimmin: Oh, if it were so simple! Hon. members will remember that I first tabled the motion on today's order paper for the sitting of Court last May. The document, which I believe has not been enclosed with this month's Tynwald papers, as you can see, is a substantial document and I trust that those members wishing to were able to locate it. Between this and the previous occasion I have some 21 pages of notes which I do not intend to read. (Members: Hear, hear.) However, it is an area which does warrant at least a number of statements and covering of some areas.

Hon. members will remember that in May last year hon. member for Rushen, Mrs Crowe, proposed an adjournment of the debate in order to await the outcome of a negligence action raising the issue of advocate immunity which was due to be coming before the House of Lords. At that time I chose not to move the motion in order to avoid the prospect of two debates. If I may, I will turn to the

conclusions and recommendations of the select committee, conclusions beginning paragraph 6.1 and recommendations in 6.3.

The committee made two recommendations: (1) that the Supply of Goods and Services (Exclusion of Implied Terms) Order 1998 not be approved, and (2) that the proposal on behalf of the Isle of Man Law Society that the Advocates Disciplinary Tribunal should be empowered to make compensation orders should be further considered by the Isle of Man Government in consultation with the Isle of Man Law Society and the results of the deliberations be the subject of a report by the Council of Ministers to Tynwald Court.

Without going into details of the House of Lords decision I would try and give the Court some confidence by quoting from the final sentences of the summary of the landmark case in the House of Lords. I quote, 'Moreover, far from weakening the legal system, the abolition of the immunity would strengthen it by exposing isolated acts of incompetence at the Bar. In contrast, confidence in the legal system would be eroded if advocates, alone among professionals, were immune from liability and negligence. It followed that it was no longer in the public interest to maintain the immunity in favour of advocates and accordingly the appeals would be dismissed.' Now, your select committee takes some comfort from the similarity of their analysis and our own regarding the conclusions and recommendations. I suggest that hon. members can also take the same comfort.

The second recommendation is peculiar or particular to the Isle of Man, but I would seek the support of all hon. members for that recommendation, which I believe will be beneficial.

Finally, I would apologise for the time taken for this report to reach hon. members. This was first put to select committee in July of 1998. The cause of delay has been a combination of factors including for some time the pressure of workload within the Clerk of Tynwald's office, but I would like to put on record my gratitude for the excellent work carried out by the learned Clerk of Tynwald (**Severall Members:** Hear, hear.) in the preparation of this report. It is a standard we have come to expect and, I believe, by most of us is greatly appreciated. I would also thank my two colleagues, hon. members, Mr Gilbey and Mr Quine, for electing me as chairman due to punctuality, not ability, and also their help and support throughout this time. Mr President, I beg to move the motion standing in my name.

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

Mrs Crowe: Thank you, Mr President, I beg to second. In July 1998 the Isle of Man Office of Fair Trading highlighted an anomaly in the Supply of Goods and Services (Exemption) Order of 1986. This anomaly was in regard to some aspects of the work of the legal profession. A select committee was appointed by this hon. Court and I would like to thank that select committee for their lengthy deliberations and also for acceding to my request to withdraw the report from the May 2000 agenda. As referred to by the chairman of the select committee, this was in order for the determination of the seven law

lords in the United Kingdom which was awaited at that time.

The Isle of Man Office of Fair Trading fully endorses the recommendations of this report. We are pleased that the legal professions in both islands now have equality when dealing with their court work. Mr President, I am pleased to second.

The President: Hon. members, the motion before us is that printed at 35 on the order paper. Those in favour please say aye; against no. The ayes have it. The ayes have it.

Queen's Pier, Ramsey – Total Refurbishment – Amended Motion Approved

I understand from Mr Delaney that he wishes to withdraw item 36 so we move on to item 37 and I call on the hon. member for Ramsey, Mr Singer, to move.

Mr Singer: Mr President, I beg to move:

That Tynwald is of the opinion that the total refurbishment of the Queen's Pier, Ramsey should be commenced no later than July 2001.

Next April 22nd 2001 will mark the 10th anniversary of the closure of the Queen's Pier in Ramsey. It was allegedly closed because of the vandalism that took place. The previous administration and this administration have had all but a decade to make up their minds as to what they want to do about the pier.

Hon. members may ask why I have placed this motion before this hon. Court at this time when the Department of Transport, who have responsibility for the pier, are still looking for a way forward. The answer is, the pier is now at a point of no return. The Bateman report of 1993, seven years ago, stated, and I quote, 'Equally it is worth noting that the pier will not survive in a salvageable condition as a mothballed structure for many years and it will eventually fall into dereliction and become an eyesore and a blot on the Ramsey sea front. Although beyond the scope of the report, it is clear that a decision on the future of the pier must be made soon.' That was in 1993. In response, and despite that report, Tynwald made a decision that the Department of Transport should mothball the pier to ensure the condition of the pier did not deteriorate any further and that mothballing work would continue indefinitely until either the decision was taken to refurbish the pier for some future use or until a decision was made to terminate the annual expenditure incurred in mothballing.

On Wednesday 5th March 1997 the Minister for Transport set up a Queen's Pier interdepartmental working group with myself as chairman. It was identified by the Department of Transport that mothballing was complete and that any further works other than routine maintenance would constitute refurbishment. Within the terms of reference provided for the working group was to identify and consider realistic possibilities for the future use or uses of the Queen's Pier and, because of the accepted urgency,

the minister called for a final report to be prepared no later than 30th September 1997, just 6½ months later.

Hon. members will remember that no department of government wished to be the lead department as far as refurbishment was concerned, and the working party proposed the setting up of a statutory board. Working party members were made up of representatives of the Department of Tourism and Leisure, Manx National Heritage, the Department of Transport, the Department of Local Government and the Environment and Ramsey Town Commissioners, all of whom expressed their enthusiastic support for a statutory board and for the full refurbishment of the pier. Hon. members will recall that, despite the support at that time of the hon. Minister for Transport, the recommendations were not backed by the Council of Ministers, an amendment was passed by Tynwald referring the Queen's Pier back to the Department of Transport and MNH to continue discussion on the way forward. Three years later that is where we still are. We are now going into our fourth winter after that Tynwald decision. The minimal amount being spent on the pier is not preventing further deterioration, as was pointed out by Mr Bateman in 1993.

In 1994 a group of interested people, not all from Ramsey, came together to form the Friends of the Queen's Pier Committee. The committee, under the enthusiastic chairmanship of Mr Jack May, were concerned that the government were ignoring the warning of their consultants and were intending to take no action as far as refurbishing and reopening the pier to the general public. Members joined the Friends of the Queen's Pier from all areas of the Island and the committee obtained charity status. Mr May retired as chairman at the last annual general meeting as he is now in his 90th year. He is a remarkable man in that he used to enjoy strolling on the pier although he had never seen it, as he himself was blind, and in recognition of his services he was made life president. I am sure hon. members are aware that the present committee shares his enthusiasm, and my colleague, Mr Bell and I are co-opted to the committee as the elected members for Ramsey.

Each year since 1996, the Department of Transport has opened the first section of the pier on one day each year to allow the public to set foot on the structure. The first pier day in 1996 attracted large crowds. In 1997 the open day attracted over 1,000 visitors with over 900 signing a petition calling for government action to restore the pier. Similarly, in 1998 and 1999 over 2,000 people each year stepped on the pier on pier day, and this year the figure was over 2,500, many visitors expressing their annoyance at the lack of progress.

The government report costed the refurbishment of the pier at £2.7 million, with demolition costing about £1.5 million. In 1998 the Friends of the Queen's Pier, having seen no positive government action, commissioned their own report from B W Partnership, recognised experts on piers. They reported in early in 1999. Their report stated that the Queen's Pier was in a better condition structurally than many piers in the UK which were still in use, and they estimated refurbishment at £1.27 million - compare this to the previous estimates of demolition at £1.5 million. Copies of the B W Partnership report were sent to the

Department of Transport in February 1999 and the Minister for the Department of Transport visited Llandudno pier on a fact finding mission. Hon. members of Tynwald received a synopsis of that Friends' report later in 1999. The position, however, is that there has been no response or comment from the Department of Transport on the B W report which they have had since February 1999 and, despite several letters to the hon. minister, there have been no positive proposals forthcoming. The Friends committee therefore presented a petition of grievance to Prince Charles on Tynwald Day this year.

A Member: Good for them.

Mrs Hannan: Great!

Mr Singer: So, hon. members, what are we trying to save? First of all, a unique piece of Island history and heritage. Work started on the pier in June 1882, the accepted tender being from Head, Wrightson & Co. of Stockton on Tees for £36,710. The pier, unlike most piers in the United Kingdom, was built as a landing berth and did not benefit from theatres and amusement arcades and other attractions. Various events such as band concerts, swimming events, fishing and town festivities were held as well as it being a flat, recreational walking facility for the public, so to try and find a major income producing activity as the only justification for refurbishment is unrealistic. All these kinds of events that used to take place could become common again on a restored pier.

The Department of Local Government's conservation officer stated, and I quote, 'The pier is on the protected buildings register in acknowledgement of the unique contribution it makes to the built heritage of the Isle of Man. The Queen's Pier embodies the only surviving example of this type of engineering structure in the Isle of Man and is unique in terms of its technical approach to construction. It is an outstanding feature in the landscape.' Mr David Bateman, the specialist in this type of structure, suggested in his evidence to the working group that the pier was in the top three in the British Isles in terms of its location and its substantial survival in its original form. Manx National Heritage said that they saw the restored pier being incorporated into the *Story of Mann (Laughter)* and also as a civic amenity for the town of Ramsey as well as a tourist facility. The National Pier Society has expressed its concern for the future of the pier. They say that the pier is one of the longest structures of its kind still remaining in the British Isles and it is universally regarded as being one of the finest piers, and the original train which ran along the pier is available to a restored pier.

It is rumoured that the Department of Transport were suggesting restoring half of the pier and demolishing the seaward end, but I believe that this compromise would not be acceptable as the uniqueness would be lost.

Hon. members will, I hope, understand the frustrations that have built up and that we are coming towards the last hour of the pier as it is now. Of course, if you ignore the problem it will go away bit by bit as it falls into the sea. Ten years have gone by and only the strength built in by the Victorians has kept the pier upright whilst government

has dithered. I believe that if hon. members do not make a positive recommendation now, then the future of the Queen's Pier will drift on past that point of no return. Would any hon. member now allow the Laxey Wheel to again deteriorate into the state of disrepair that it once was, because it is no longer used for its original purpose? Would any hon. member say we should not restore the original Tynwald building in Castletown because it will not be used for its original purpose? Should we restore the Villa Marina Colonnades at a massive cost? Should we in fact restore the Villa at all or should we knock it down (**Mrs Crowe:** Yes.) and put a purpose-built building there that would be easier to adapt and to maintain? Of course not, all these are irreplaceable parts of this Island's proud history. And as we can afford financially to keep that story a reality, then I believe we must do so in the case of the Queen's Pier.

I would say to hon. members that any excuse that the Department of Transport is looking for for a way forward is no longer an excuse that is acceptable. It would not take three years to come up with an answer, particularly if the matter was dealt with in a positive and supportive manner. The impression that I and the general public are getting is that the department do appreciate that the delay could well take us to a point where a positive answer for full refurbishment is no longer possible because of the deterioration.

There is general interest and support from the general public for the retention and refurbishment of the Queen's Pier from people throughout the Island, and I am sure the public would like to hear the reasons from members of both these Houses who are not in favour of this resolution to stand up and tell them why.

I hope I have explained to hon. members why not only myself but the many members of the Friends of the Queen's Pier, the public of Ramsey and indeed, the general public of the Isle of Man believe it is now critical for their parliament to make a decision on the future of the Queen's Pier whilst options are still available. I ask you, therefore, hon. members, to vote for my resolution to indicate your support for the refurbishment and restoration of the Queen's Pier in Ramsey on behalf of the nation. Mr President, therefore I move I move the resolution as printed on the order paper.

The President: Hon. member for Ramsey, Mr Bell.

Mr Bell: I beg to second and reserve my remarks, Mr President.

The President: Mr Kniveton, hon. member of the Council.

Mr Kniveton: Thank you, Mr President. I cannot but rise to put forward my position regarding the main part of this motion, which of course, is the total refurbishment of the Queen's Pier. Many members were not aware until the Chief Minister mentioned it at Question Time yesterday that at the present moment the Department of Transport is preparing a consultation report to be finalised in the very near future for transmission to the Council of Ministers and thus to this hon. Court.

I myself have not yet seen any part of this report. Consultations will then take place with the Friends of Ramsey Queen's Pier, Ramsey Town Commissioners, Manx National Heritage, all hon. members and any other interested parties. I have to say that I think it is a great pity that the hon. member for Ramsey, Mr Singer possibly, probably, unaware of this consultation report has submitted this resolution today prior to this hon. Court receiving that report which, I understand, is due before 31st December. In turn, I have to emphasise that the department was not aware until recently of this motion.

I must state quite clearly at this early stage that until the consultation report from the department is received by this hon. Court, then personally I cannot support the motion for total refurbishment. In fact, I would find it rather difficult to support any firm motion regarding this subject at this time, more especially as the consultation report will give an absolutely clear recommendation whether it be to refurbish, whether it be to pull down the Queen's Pier, or whether it will be to refurbish half and remove half, which, incidentally, is a consideration put forward by myself following a visit to Cromer two years ago where the pier was half demolished in an accident involving a cargo vessel rather similar to the *Ben my Chree* running into a pier. (*Interjections and laughter*) The insurance money obtained was put towards refurbishing the remaining half, and what a jolly good job they made. So obviously these recommendations will be supported with evidence which would clearly set out to all members all aspects of the suggested way forward for the Queen's Pier and including costings.

My department is determined that this matter must come to a head sooner rather than later and doing nothing is not an option. Nevertheless, I still feel that there are one or two matters which should be put over not only to yourself but to all hon. members. These matters may or may not be included in the consultation report - I do not know, probably not.

Firstly, on Saturday last following a letter put out two weeks previously at the request of the hon. mover that the opportunity should be afforded for members of Tynwald to walk on the pier and judge for themselves just prior to this what the hon. mover considers to be an important debate. I am chairman of the harbours division of the department and I willingly, after consultation, agreed and welcomed the request that members should have the opportunity between 10 and 12 that day, the department having complied with certain conditions. After being required to spend, believe it or not, £3,200 to lay a walkway over all the rotten bits of decking on just half of that pier and yellow paint marks where not to go and where to go and propping up rails, only one member of Tynwald showed enough enthusiasm and interest to come along. Personally, I am very disappointed that only one hon. member took up the offer in order to join in and see for him or herself conditions before this debate.

Mr Cretney: Was it a him or a her?

Mr Kniveton: Mr Houghton -

Members: Hurray! (*Laughter*)

Mr Kniveton: - the hon. member for North Douglas, was the only member of this hon. Court who risked his life. (*Laughter*)

Mr Cretney: He can walk on water! (*Other interjections*)

Mr Kniveton: Not only his life but his limbs. With myself and Captain Brew, we walked just half way down that pier as far as it was reasonably safe to go.

Mr President, with your permission, I have circulated to all hon. members a copy of the Friends of the Queen's Pier Ramsey's recent newsletter together with a copy of a memorandum by Captain Brew, director of harbours, to myself as the chairman. I do ask members to study this information and in particular the part underlined or outlined in green. Now, towards the end of the Friend's letter it is mentioned, and the mover has mentioned too in capital letters, that the 1999 figure for, and I emphasise, total refurbishment and that is all the woodwork and much of the steel cross-work was just over £1.25 million. In fact, I believe this is totally incorrect and totally misleading.

Mr Cretney: It is from their independent report!

Mr Kniveton: The total 1999 figure for refurbishment, I am advised by Captain Brew, is nearly £3 million - £2.97, a difference of £1.75 million near enough, and not a figure in the newsletter of just over £1.25 million.

Now, I trust that all hon. members will not be carried away by this, I believe, misleading and totally inaccurate figure. The figure, as we have already been advised, was obtained from a UK company for refurbishment, but on asking Captain Brew, nobody has been on that pier, certainly not with our permission; there has been no inspection made and no survey.

Mr Cretney: Oh, no!

Mr Kniveton: I could go on several other points regarding the motion. Mr Cretney does not want me to do so, but I would respectfully remind all other hon. members that this motion, in my opinion, is premature - premature on account of the consultation report to be issued within the next few weeks. Whilst I have set out certain information, I do not want members to unnecessarily construe that these are my reasons for not supporting the motion. I trust that all hon. members will fully understand when I talk about this, in my opinion, premature motion and I trust that they will realise that the time will come in the not-too-distant future to make the decision whether to support total refurbishment, total demolition or compromise. And again, I must emphasise to hon. members, my department is determined to bring this matter to a head and again, I say, to do nothing will not be an option.

Hon. members, I respectfully suggest that you should not support this motion to day for the reasons I have given, and most importantly up to date costings produced by

consultants will be produced rather than, I have to say, guesstimates, and that is very, very important. I thank you, sir.

The President: Hon. member for Onchan, Mr Cannell.

Mr Cannell: Thank you, Mr President. No-one can doubt the sincerity of the people who are trying to save the Queen's Pier. (*A Member:* Hear, hear.) Whether we agree with it or not, you cannot but admire the case that they have presented over a sustained period, but this evening I am not going to comment on the merits or otherwise of preserving the Queen's Pier; I am merely going to say it came to my knowledge today that in fact this report was imminent and therefore I have facilitated an amendment which will allow that report to come forward.

Now, along the way we have a report by the Council of Ministers; that was in January 1998 before I had the honour of being in this hon. Court, and there was at the time quite a debate and I have the resolution of that, which was that the motion that the Department of Transport's report on the future use and refurbishment of the pier be received and the recommendations of the Council of Ministers be approved. My hon. colleague from Onchan here did move an amendment to that but was unsuccessful, which leaves the position, as I understand it, that the Council of Ministers are still to come forward with their recommendations following the resolution of the Court in February 1998, that the Council of Ministers will report not later than January 2001.

Now, we have heard already from the hon. member for the department that it will be by the end of the calendar year, much the same thing, so I hope that hon. members will feel that this amendment fits the bill here. I think the arguments about the preservation of the pier cannot possibly be advanced other than by the hon. mover and of course, while similarly respecting the sincerity of his fellow colleague from Ramsey in seconding it, we actually come to the position now of deciding whether to go for a fully-fledged debate to come to the conclusion the hon. mover would urge us to take tonight or in fact what I would move as a more sensible or a more equitable option, perhaps, which does not in any way compromise the mover's aspirations but just gives the rest of the members the benefit of all the consultation which has taken place with other people, as has been outlined by the hon. member of Council. It is almost the end of November, so that leaves only five weeks of the calendar year left. It is a year, I know, to the election tomorrow, if you are interested in that, by the way, and in fact it is five weeks to the end of the calendar year when those who think the real millennium will come along will be 1st January 2001, and it therefore behove us, I would suggest, to have all the information. I know the hon. mover in his reply will say, 'How much more information do you need? We are either going to keep it or we are not.' Perhaps that is the case. I am not going to get embroiled in that tonight. This amendment offers the hon. Court the opportunity to wait to get this report which in fact is, as we have been told, on the way now and will, by statute, be presented by the end of the

year. If this is deferred until the January sitting of this hon. Court, I am sure we will all be in a much better position to know how we will advance or resist arguments for the pier's preservation. I formally move the amendment standing in my name.

The President: Hon. member, Mr Braidwood.

Mr Braidwood: Thank you, Mr President. As one member of this hon. Court who has a leaflet from the Friends of the Queen's Pier because I walked down the Queen's Pier on June 30th 1996, so at least I have been down because I was the member at that time, the DOT who had responsibility for the Queen's Pier, I had an approach from the Friends of the Queen's Pier, would I open the pier for the year of the pier as it was? And I said, 'Yes,' and we, as Mr Kniveton said, had to put boards down then. I have a lot of sympathy with Mr Singer, but, as the hon. member for Council, Mr Kniveton, has said, a report is coming out at the end of December.

I cannot go along with the amendment of Mr Cannell because I do not believe it gives time, because if we look for the sittings of Tynwald before any submissions or delivery of notice for the sitting of Tynwald in January, it has to be 29th December -

Mr Brown: The 6th if it is financial.

Mr Braidwood: - and the 6th if it is financial, it is quite correct, and it would have to come in front of Treasury, so we are now looking because of the festivities going to the Council of Ministers, I would rather see, for the March 2001 sitting. So I would like to move an amendment -

Mr Downie: Make it April!

Mr Crowe: It is not seconded yet.

Mr Bell: Why not make it next November?

Mr Braidwood: - for March 2001 sitting, which would at least give the time for the report to come through to be looked at, to go to Treasury and then the motion to come forward for the sitting of Tynwald in March 2001.

The President: Now, hon. member, so that I am perfectly plain on what you are attempting to do, what you are saying is that you are not supporting Mr Cannell's amendment which has been circulated to members but you would wish to put into that amendment March 2001 instead of January?

Mr Braidwood: Yes, sir. I beg to move:

For the words after 'That' substitute -

'following the resolution of this hon Court at its February 1998 sitting, the Council of Ministers' report on a suitable scheme for the Queen's Pier, Ramsey, no later than the March 2001 sitting'.

The President: It would come as a new amendment, that is the way it would have to be dealt with, neither amendment yet having been seconded. Sir Miles.

Sir Miles Walker: Yes, thank you, Mr President. When the mover of resolution was on his feet he invited those who opposed the resolution to stand up and try and explain why, and I am going to do just that.

I do not have a certificate from the Friends of Queen's Pier, but I am afraid I am old enough to have landed by boat at the end of the pier and walked down it and, prior to its closure, have walked it and enjoyed it, so I understand the ambience of the Queen's Pier from a user's point of view. Perhaps I do not understand it from a Ramsey resident's point of view and I would readily accept that.

The problem with the suggested amendment for me is that it seems to assume there will be a scheme for refurbishment, not that the report will suggest options and identify the way forward, but it assumes refurbishment and in all honesty I cannot stand here and say at this stage that I am happy with that assumption. It seems to me that it poses me with a difficulty and I think it poses the Court with a difficulty when these issues are raised one by one, albeit on their merits, with a resolution to try and get this Court to do something and they have spent considerable amounts of money without putting this or other schemes into perspective with the priorities that government have got to attend to, and that is the difficulty I find, and it seems to me that we should be doing what we have done. We should be saying that the Queen's Pier is either important to the environment, important to tourism, important to the Department of Transport or important to heritage, whichever one of those four - and it may be something else that I have not listed - and then say to the people who are responsible for those departments, 'This should be within your portfolio, put it into some sort of preference, into an order of priority.' Otherwise it is absolutely hopeless, and we get this and we get the TT Museum and we get other things and they come forward one by one and they are all jolly good ideas but there is a great danger in them taking over the proper priorities for the investment of moneys, and that is the problem I have with the resolution, not that I do not think the Ramsey Pier should be invested in but I think it is wrong to come to that assumption without putting it into an order of priority.

For that reason I am voting against the resolution and I am voting against the amendment that has been suggested unless some clarity is given to the sort of recommendations that may come forward in the report that has been referred to firstly, by Mr Kniveton and secondly, by Mr Cannell and thirdly, by Mr Braidwood. Thank you, sir.

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

Mr Crowe: Thank you, Mr President. In view of the debate so far and before moving an amendment which I have in my hand I would say to Mr Kniveton I attended at the pier at 11 a.m. on Saturday morning and the gates were locked, there was nobody there, so I did try to see it although I did walk on the pier in the summer on the open day when Mr Bell and Mr Singer were there with the Friends of the Queen's Pier.

I think the difficulty in members' minds is the way the original resolution is worded, which is that we are talking about the total refurbishment of the Queen's Pier, we are giving a fixed date, which I think is a difficult one to contemplate, there is no discretion there, and I think in Mr Cannell's amendment it is assuming that there will be a suitable scheme and that the Council of Ministers are going to recommend it. So what I am moving this afternoon is an amendment that recommends that a select committee of three members be appointed to consider the future of the Queen's Pier, Ramsey, and report no later than the July 2001 sitting.

The President: Hon. member, Mr Shimmin.

Mr Shimmin: Thank you, Mr President. Totally oppose the select committee proposed by the former speaker (**Members:** Hear, hear.) - I will end up on it again. (*Laughter*) Fairly obvious, though, what is happening today. I think everybody knows it. It is quite laudable, but an attempt by the Ramsey members who are fed up with the situation to try and advance things. (**A Member:** Hear, hear.) Never really going to get success today, particularly after the block vote of the Council of Ministers, so the likes of myself could come along here and support it and be nice to the people in Ramsey - totally pointless. I could do it and it is a cheap shot.

The issue really becomes one of 'Do we wish to refurbish Queen's Pier?' and I think every one of us in this Court pretty well would say, 'Yes, but not at any price.' The issue then becomes 'What is the price?' We have seen from the paper submitted now and seen it previously from the Friends; they reckon they can do it cheaper than full demolition. If that were the case I think nearly everybody here would say, 'Fine, crack on, it is going to cost us less money to keep it refurbished, let us do it.' We do not know. We have then got now differing dates coming in to fill your diary. January, no March, April and then somebody down the far end said July and then it is November and it is the election.

The most disconcerting part of tonight's discussions - or not even discussions - has been the facial expressions and the negativity expressed by a number of people regarding the Queen's Pier. I think inadvertently the Ramsey members have actually mobilised the level of opposition which might not have been there previously, but I am quite dismayed when I have counted four ministers shaking their heads in what I can only assume was a fairly negative hostile reaction towards being railroaded down a refurbishment of Ramsey Queen's Pier. Yes, I think on balance I would prefer to see it maintained. The people in Ramsey are driving me mad at the moment. I think the arguments -

Mrs Crowe: That is with the marina! (*Laughter*)

Mr Shimmin: - that have been put forward on both the Queen's Pier and the marina are spurious and unhelpful to all of us (**Mr Cretney:** Hear, hear.) but there is a small army of people who think that Ramsey Queen's Pier is worth saving. I agonised about this some years ago; most

of you have done the same. Do you want to be the ones who finally demolish it or do you want to be the ones who say, 'Well, we will restore it'? They were all nice people - 'We want to see it there if we can afford to.' We have not got the information. I cannot support something like this. The flood of amendments coming forward - where are we up to? March at the latest.

The President: Hon. member, there is no amendment until it is seconded.

Mr Shimmin: Well, it has been circulated, Mr President, but I take your advice on that.

We have got a series of amendments. I am most disappointed that the Department of Transport have come forward and said, 'We are going to be another six months'. (**Mr Delaney:** Hear, hear.) That is why this motion is down here. It is not premature; it is another six months before we are going to get information. The minister intimated before April would be better. The members in Ramsey are fed up. I am fed up; (*Mrs Crowe laughing*) I want to hear from the minister why it has taken so damned long.

Mr Brown: Because you have given us extra work.

Mr Shimmin: If the figures had been put forward here - some time ago, I seem to remember reading this from the Queen's Pier - I would have thought that there could have least have been some level of questioning done. Maybe I was asleep and missed it, I do not know, but to me we need more information. I will go for the later amendment but I will tell the Department of Transport, as far as I am concerned, unless there is a damned good reason I will be supporting the Ramsey Queen's Pier.

Members: Hear, hear.

The President: Could I just clear that point, hon. members? Mr Shimmin has just indicated that he is going for the later amendment. Now, there is no amendment unless you, sir, are seconding it. Which one are you seconding?

Mr Delaney: Go on, take a stab at it!

Mr Shimmin: I shall second the latest one, which I believe in front of me says March.

The President: Thank you.

Mrs Crowe: No, the latest one is for a select committee.

The President: In other words, you are seconding Mr Braidwood.

Mr Shimmin: I am seconding Mr Braidwood's but I do not think we will win, sir. (*Laughter*)

The President: Thank you, sir. Mr Downie. (*Mr Delaney interjecting*)

Mr Downie: Thank you, Mr President. I have some sympathy with the Ramsey members, but the first thing I really want to raise in this issue is, is this really the best way of spending £3 million on the regeneration of Ramsey or it is not just a waste of time?

Mr Bell: It would not be regeneration.

A Member: It should be.

Mr Downie: Well, it should be because if you are going to make a case in this hon. Court to have between £3 million and £4 million spent you need to know for what purpose you need the money, what the long-term objective is and how it is going to ultimately benefit the future of Ramsey. They are the arguments I want to hear. Now, sadly we have not heard that in the debate thus far. What I do know is that this issue is being pushed round more government departments and agencies than you can shake a stick out and nobody really wants to finish up sitting with the parcel because they know that, all right, it can be refurbished, money can be put into it, but in all honesty it is not going to go anywhere after that, and that is the big problem. It is a very, very expensive white elephant that we have. Some would argue that it has no useful purpose anymore; you cannot berth vessels alongside it. Some people would argue whether it is safe. It is going to cost an absolute fortune to dismantle and move away. So we are in a situation where I think that amongst those who are consulted Manx Metals should start to have a part to play! (*Laughter*)

I think we can do nothing else but wait for the information that the DoT are trying to collate and I am concerned that we are tending to rush this. (*Interruption and laughter*) Now, in my opinion, to do anything with this pier - and that includes knocking it down, rebuilding it, refurbishing it, would take a considerable amount of money, none of which is allocated in anyone's budget by the way, as my hon. colleague for Rushen stated, Sir Miles, and at the present I would say that this is a particular period in the pier's timespan where it is probably safer now than it has ever been because there is no particular motion in front of us to demolish it or refurbish it. so it is locked in this bit of a time warp.

But I think we have got a quite clear decision to make, and that is that we do not do anything that would prejudice this report and, if members want to go along and support bringing a report back to Tynwald in March, it is going to involve a considerable amount of work. I just wonder whether March will be a large enough timespan to allow all this detail to take place because there is so much other construction going on in the Island and difficulty getting people to put reports and things together. I think we are perhaps being a little too ambitious, but I would just reassure the members that the pier is not going anywhere. There is nobody going to knock it down, there is nobody going to refurbish it, so I think you are best waiting with the hope that the report is favourable and then you can then improve your argument and reinforce your commitment to the pier, because at the moment, sadly, it does not appear to be going anywhere.

The President: Hon. member, Douglas North, Mr Henderson.

Mr Henderson: Thank you, Mr President. The hon. member for Council, Mr Kniveton, said that only one member turned up to have a look at the Queen's Pier on Ramsey. That may be true but, having lived in Ramsey until very recently, I am very well acquainted with the condition of the pier and in very recent months as well.

I think it is important. (**A Member:** Hear, hear.) It is a piece of heritage, whatever way you want to look at it. It may be called the Queen's Pier but the thing is, it is the only existing example of an iron pier that the Island has. Unfortunately Douglas lost its in the early 1900s, and it was, in the wisdom of the town, given away, exported away. But I think as the only existing example of an iron pier, a promenade pier, it is worthy of this debate and it is certainly, in my opinion, worthy of the motion as stated on the paper.

I was saddened some years ago when the dynamite went in and the end of it was blown off, because my ultimate dream for it would have been to see the end of the pier restored as well and some sort of restaurant cafe or whatever to show it to its full glory and perhaps have a visitors' centre on the end illustrating how it used to be and the paddle steamers that used to dock there and give the people some information when they went there.

Anyway, we have heard all sorts of different angles on this tonight and some of the comments have been that we need to have some sort of a scheme, it could be a waste of money, but the Court is not adverse to looking at heritage items, and the TT Museum is one thing that sticks in my mind. We have approved many hundreds of thousands of pounds to have a look at something worthy there and I think we have got something worthy here. To my mind, I have not been canvassed by a small army from Ramsey and I know it is bigger than a small army, and I know that there are many hundreds of hundreds of people up north that are concerned. It is a northern issue. The hon. members from Ramsey have brought their legitimate concerns here for debate. It is their constituency and I will certainly be guided by their concerns and what they perceive their constituents to be expressing. Thank you.

The President: Hon. member, Douglas South, Mr Duggan.

Mr Duggan: Thank you, Mr President. There have been lots of motions and amendments here before the Court and I think it is ridiculous. I fully support the members for Ramsey. (**Mr Delaney:** Hear, hear.) After all, we have ordered over a million pounds for the colonnade, as Mr Singer said the other week. I think the best way forward - Mr Kniveton said the report is coming in the end of December, January - if we could adjourn this debate, sir, I would move that we adjourn the debate until the February sitting of Tynwald. (*Laughter and interjections*)

The President: I call on the hon. member Mr Karran.

Mr Karran: Vainstyr Loayreyder, I am concerned about the situation that we did have a report. I am sorry that it

happened to be a situation where the members for Ramsey raised this issue, because it has actually belittled the issue itself, (A Member: Hear, hear.) because it is more important than a few votes in Ramsey. As I have said before, 40 years ago in Onchan - maybe I was not around then -

A Member: You were!

Mr Karran: Well, I was not around in Onchan! But the fact is that you would more likely not have found a dozen people who would have given a second thought to Laxey Wheel. And so it was so good that Mr Kneale, who had the vision to make sure that it was not scrapped at the time, did what was needed to keep it going that little bit longer; and today I would say in Onchan there will be about 40 people in Onchan. The point is that 40 years ago it would have been demolished. I think the hon. member for Peel needs to realise that, only for certain individuals. Now, today, 40 years on, there would be absolute uproar if we were to demolish Laxey Wheel, and I believe in 40 years' time people will say, 'Oh, isn't it good that somebody saved Ramsey Pier?' and I think that I have to say, yes, I will be honest with you, my constituents do not give a monkeys about Ramsey, but I believe as a member of a national government that we should support Ramsey Pier.

Now, I hope that the minister comes up and gives some sort of commitment as far as Ramsey Pier is concerned, because otherwise I will vote with the original motion and I will support Mr Braidwood's amendment as well, because I do feel that we need to pin our colours to our mast because, as I say, I do not want to be saying to your grandchildren and your children, 'I am sorry, I was part with your grandfather or your father, the people who were the architects that lost this for future generations.' (Interjection)

I believe that at the bare minimum we should support the hon. member for East Douglas's proposal. I do agree that it is rather annoying that there was a motion that was supposed to be back here for the January sitting 2001, but if the hon. minister cannot get it done by then, then fair enough, but I believe that it demeans us all if we just laugh it off and just think it is a bit of a joke and the fact that nobody gives a care about it in Douglas or in Onchan or in Rushen. I think that is wrong.

I have to admit there is a very good argument where the likes of the member for Douglas West has said, 'What use is it?' I have to admit that, but what use could we say for so many other things as far as our infrastructure is concerned? The argument could be used on so many things. We have talked about a TT Museum and we are talking about spending millions on a TT Museum, and the logic is if we were going to have a TT Museum, you would put it on the M1 or the M6 in the United Kingdom in order to try and attract people to come to the Island, because it is no use having a TT Museum after the fact. They have decided to come anyway. They will not come to see the TT Museum, and I think the hon. member for West Douglas talked about 'What use is it?' Well, we had these arguments about the Peel Heritage Centre and the truth is their figures have been manipulated out of all recognition. Now, I recognise it that the Peel Heritage Centre is a valuable asset for a rainy day for tourism in the Isle of Man -

Mr Downie: The pier isn't!

Mr Karran: - but the nonsense that was coming out when it was being proposed that it was going to fill the boarding houses of the hon. member of Council's ex-constituency was rubbish then -

Mr Delaney: They are not boarding houses!

Mr Karran: - and it is rubbish now, but it is something that I believe is an asset as far as a diversified economy is concerned. I will say, Eaghtyrane, talking about the future of the Queen's Pier, that I remember having one of my capitalist friends who came to the Island and who had a connection with a number of casinos in America, and we came up with a wonderful proposal but unfortunately the state legislators of the casinos had the domicile of the casino licence companies and had to put all their taxes through the different states in America. We did actually come up with a proposal of seeing whether we could give someone a tax holiday and maybe use all their branch casinos in America and bring all their taxable income through the Isle of Man company in order to do so. Unfortunately that was not possible but it takes something like that. Something like that is what we need to be looking at if we are going to look at other ways of viability, but I think it is wrong that this hon. Court says that it has to have a financial package, but I would be willing to listen to financial packages because if it has not got a financial package we should not save it. Well, if that was the case we should shut down the railways now, we should not do any more work, as the hon. mover said about Castletown and the old House of Keys; we more likely would find that our castles do not pay; we more likely would find that most of the other things do not pay, so I think we have to accept the fact that we do it because we support all the other things. I do believe that this structure is unique and I do believe that this hon. House should at minimum support the hon. member for East Douglas and his amendment - at minimum.

I am not interested in the political gimmickry of this thing. I believe this Court has to bite their tongue and get on with saying, 'We believe that in 40 years' time that generation will thank this Court for making a decision.' I am sure that the member for transport will try and save that for the nation. It is no great revelation to the members for Onchan.

The President: Hon. member for Peel.

Mrs Hannan: Thank you, Eaghtyrane. I was not going to speak but I have to after my hon. friend next but one to me for his attack on me. I was not questioning Mr Kneale's position with regard to Laxey Wheel. I know exactly what Mr Kneale did in saving it. He was wonderful at the time. (A Member: Hear, hear.) He saved it, but the point I was trying to make to the member was that he was only going half way. My hon. friend next to me was the one (Mr Cretney: Hear, hear.) that redeveloped it and the surrounding environs and actually started off the very thing which is there at the moment, and I would have thought

that this Court would have supported him now in what he is doing within the department to further the aspects of Queen's Pier.

Mr Cretney: He went half way.

Mrs Hannan: We can talk all round this tonight. We have got amendments like confetti around us - well, almost around us. (*Laughter*) What we need is a report as to the way forward (**Mrs Crowe:** Yes.) and, if you are going to question anyone's credentials on saving things, I do not think you can question the Minister for Transport (**Mr Cretney:** Hear, hear.) purely because of what happened over Laxey Wheel and in other areas and the House of Keys, and it is not just because it is in his area. I agree with the member for Rushen, Sir Miles: if there is a report coming up we should get the report and then we should consider it and we should not be rushed into it (**A Member:** Hear, hear.) and I hope the Court will support me on that.

The President: Hon. member Mr Rimington.

Mr Rimington: I would just like to accept the invitation from the hon. mover of the original motion to nail one's colours to the mast. My mast is actually firmly in support of refurbishing the Queen's Pier. I have hazy and distant memories of diving off that pier in the Ramsey Bay swim (*Interjections*) in something around 1970 or 1971, and it was an unpleasant experience. (*Laughter*)

The issue was obviously quite simple before we came to the motion and to Tynwald today when I saw it on the order paper. The motion has become a little more complicated since. I would support Mr Braidwood's amendment that we move to the March 2001 sitting but I will be strongly looking forward to a scheme to refurbish it.

The President: Hon. member Mr Bell - you were late to your feet, sir, but I will still accept it. Mr Bell.

Mr Bell: I got up the same time, Mr President, as Mr Rimington.

Mr Cretney: Take a deep breath!

Mr Shimmin: Three minutes!

Mr Bell: Thank you, Mr President. There are two points initially I would just like to make comment on. First of all I have to say I am quite disappointed at the attitude of some members in this hon. Court in the flippant manner in which they have treated this debate. It may be a Ramsey issue, it may be a northern issue, it may have no consequences whatsoever to the constituencies of the members who have made these comments. I can assure hon. members it is a matter of very great importance to many members of the Ramsey and northern community and indeed much further afield right throughout the Island, and that is witnessed even this year by the 2,500 people we had at the open day who came down to the pier and who expressed their strong support for the continuation of the pier.

I would also like to make it very clear again, contrary to the comment made by the hon. member for Onchan, Mr Karran, that because this issue has been raised by the Ramsey MHKs it somehow belittled the issue because we are only looking for votes; I would just like to remind the hon. member that we have been battling to try and save this particular piece of our heritage for a great many years. It is not something that has just come up tonight because there happens to be an election next year. Although the motion is in the name of my colleague, Mr Singer, it is a reflection of the frustration and exasperation of the people in the north of the Island who do have a genuine affection for what they believe is an important part of their heritage. (**Mr Delaney:** Hear, hear.) It is as much as part of the northern heritage as the Laxey Wheel is of Laxey heritage and Rushen Abbey and all these other issues round the Island are of their regional heritage, and I hope hon. members will at least do us the honour of respecting that before they make the facetious remarks which we have been hearing.

Mr President, this is an important issue as far as Manx heritage is concerned; it is not only an issue for Ramsey. The former Chief Minister, Sir Miles Walker, has argued again that we need a business plan for it - in fact, he has argued these points many times over the years and that it has to have a role. No thought was given when the hon. member for Castletown, as I acknowledge his efforts as chairman of the GPTs, fought to save the Laxey Wheel. At that time, in 1984-1985, there was a strong rearguard action against any investment in any heritage and it was just as much an uphill struggle at that time to save the Laxey Wheel as we are experiencing, in much better financial times today to save what we believe is an important part of our heritage in Ramsey, which is the Ramsey Queen's Pier. That is not just the view of the people of Ramsey; we have had experts in the area of piers who have all unanimously acknowledged that the Ramsey Pier is one of the best of its type in Britain. It is almost unique now in the type of pier that it is and, in fact, although we are arguing now for its restoration, it is in many ways in a much better condition than many other piers which are still open and actively supported throughout the United Kingdom. So we are not just banging the drum for electoral reasons; there are good heritage and much broader reasons for supporting this particular resolution.

The people of Ramsey have or would have been more than happy to allow the Department of Transport to take its course, to do its own investigations to come up with a workable scheme to refurbish the pier. We have been frustrated, I think, at the length of time that has been taken on this. In frustration again, the Friends of the Queen's Pier commissioned its own report; they were not in fact told that they had to come up with a cheaper option, they were given the instructions, in effect, to give us a clear indication as to whether in fact the pier could be refurbished and at what cost. Now, the figures which have been given to us are somewhere in the region of £1.3 - £1.4 million for refurbishment. I am not an expert on that. These are well known pier consultants, it is a company called BW Partnership, which I understand looks after the Blackpool piers and the Llandudno piers. They are very well

experienced in this matter and therefore it is natural we take the word of these acknowledged experts. If that report is inaccurate, fine, I would expect the Department of Transport to come back to us and tell us precisely where the failings are, whether it is inaccurate or not. I would not rely on, with all the greatest respect to Captain Brew, who is the chief harbourmaster, turning round and saying 'Well, these figures are rubbish they are nowhere near accurate.' The harbourmaster is not an expert in this field and I would expect some facts and figures to come forward to at least back up that argument, and that is no criticism of the individual; I have the highest regard for him as a harbourmaster.

We have been told that there is no funding available; it is not in the government programme. Isn't it amazing how money can suddenly fall off trees, though, when certain projects come up in other areas of the Island, and particularly the pampered areas of Douglas and the south? *(Interjections)* Completely out of the blue we have a million pounds suddenly appear, totally unbudgeted for, totally without, to my knowledge anyway, it being in anyone's programme, to demolish and refurbish the colonnade in Douglas at the Villa Marina. *(Interjections)* Now I support it, I have not got a problem with it, but it was not budgeted for and it does not have a financial business plan in itself to-

Mr Houghton: Nor the prison.

Mr Bell: Precisely.

Mr Downie: The prison does not either.

Mr Bell: Rushen Abbey undoubtedly is an asset to the Island and part of the Island's heritage, but again there was no money budgeted for there. An opportunity came up to rescue and refurbish it *(Mr Houghton: Hear, hear.)*, I totally support it, I have got no problem with that at all, but that money was found totally without the established budget for that particular year. So to say as regards this request for serious consideration to be given to a project in Ramsey, which is not just, as I say, Ramsey's heritage, it is the Isle of Man's heritage, that because no business plan has been made for it and therefore it is not in the five-year rolling programme is somewhat hypocritical given the history of Tynwald on these other issues.

Mr Downie, the hon. member for West Douglas, has criticised the proposal as it is not the best way to regenerate Ramsey. I wholeheartedly agree with him. This is not an exercise at all to regenerate Ramsey, it is to save a piece of Ramsey's heritage. It is quite a different exercise all together, and I hope hon. members will recognise that.

Not very many years ago we recognised one of the Island's most important features, the Isle of Man Railways, was on the point of total destruction. Part of it was closed, the rails were sold off, the steam railway was privatised, the Northern line of the MER was closed, the whole of the railway network was winding down, and a large number of people seemed resigned to that happening. And it was only through, initially, a battle on the part of a small number of people, and particularly again in the Ramsey area, where

we had the closure of the Northern line from Laxey to Ramsey of the MER. It was really down to Lencie Kneale of Ramsey Commissioners and the battle that they put forward in the end, at the late 1970's, that finally got that restored, otherwise that Northern line would have been lost. And who now would criticise the value and the contribution that the MER makes to the Isle of Man tourist *(Members: Hear, hear.)* product and the quality of our cultural life on the Island, or heritage life?

So there are a number of precedents on this already where heritage has had to struggle for survival. It has not been a popular thing to invest money in because there are no obvious end financial returns on the investment which takes place. I would urge hon. members: forget that it is in Ramsey, forget all that has gone before, recognise it as it is. It is a part of heritage, it is a part of the, in effect, partial maritime heritage of the Island, it is a product which, if the issue is not addressed sooner rather than later, is falling into such disrepair it will be beyond saving. I would ask hon. members to give their urgent support for the resolution that is before you tonight for the restoration of the whole pier - and I emphasise, *the whole pier*, because it is an absolute nonsense to start talking about saving half the pier. *(Mr Delaney: Hear, hear.)* Frankly, as far as the people of Ramsey are concerned I think we would rather see the whole pier disappear rather than end up with just a half stump of it; that is utterly meaningless, it is like saving the Laxey Wheel without the wheel. What is the point of it? *(Laughter)*

So I would ask hon. members, please put your prejudices aside. It is all right to have a bit of knockabout fun. I know it is not a pressing issue in your constituencies; it is an important item in Ramsey, it is something the people of Ramsey feel very passionately about and would like to see saved before it finally disappears below the waves. I would ask all hon. members, please support the resolution as printed. At worst, if you are not prepared to do that, please support Mr Braidwood's amendment which will at least give us the opportunity to argue the point once again, perhaps with the DoT's up-to-date report and information at March. But please, hon. members, respect the sincerity that this resolution is put forward in tonight, respect the genuine affection and concern that the people of the north of the Island have for this and please do not throw it out.

The President: Hon. member for Castletown.

Mr Brown: Thank you, Mr President. I felt it was important to hear the views of both members for Ramsey before I said anything because naturally this is an issue within their constituency. I have to say I find it somewhat sad that we have a situation where members are being accused, as we heard on the radio and as we have just heard here today, of being prejudiced because something happens to be in the north of the Isle of Man. I have to say since I have been in here, since 1981, that theme has come out from Ramsey Town Commissioners, it comes out from Ramsey businesses and it comes out from the members for Ramsey and has continued to come out ever since I have been here. And yet, in my time here I do not remember anybody actively opposing any investments in Ramsey.

In fact, I can say that certainly - (*Mr Houghton interjecting*) The hon. member for North Douglas, Mr Houghton, is a beauty, isn't he, Mr President? All I hear from him, like I heard yesterday, is 'Nothing happens,' 'This does not happen.' You do not know.

Now then, Mr President, in my time in this House there has been considerable investment in the north, the south, the east and the west of the Island - considerable investment by government. I know in my time as minister for different departments of the amount of time I have given in proportion to all those areas, and if I take it in proportion to my constituency, because of my government responsibilities, there would be far greater time, by myself and others who are ministers and members of departments, into all the different areas, sometimes than your own constituency, because I certainly take the view that I am the member for the House of Keys for Castletown and I will fight for my constituency. Then I become a minister or a member of a department, whatever it may be, and I will do my job as a member for the Isle of Man to do what is best for the Isle of Man, and I do not give a monkey where it is. What I care about is the Isle of Man, and I have to say that the Queen's Pier is not a Ramsey issue; it is an Isle of Man issue. (**Members:** Hear, hear.) It has got nothing to do with Ramsey except it happens to be in Ramsey, (**A Member:** Hear, hear.) no different than Laxey. The Laxey Wheel is an Isle of Man issue, not a Laxey issue. The House of Keys in Castletown is an Isle of Man issue, and if you are worried about how long it has taken for getting to Queen's Pier, I can tell you, in 1984 my first letters went in about trying to do something with the old House of Keys in Castletown. I continue to pursue it, to encourage it to happen, and I hope that next year we will see it actually happen. I have not had to come to Tynwald to get it done.

What I would say is I find it also very disappointing, when I have been honest with the members for Ramsey, and open, and I have with the Friends of the Pier, and I have said that my stance as minister of DoT is I want to see us, if at all possible, save the Queen's Pier - made absolutely clear. My stance is straightforward, my history is straightforward, and I thank the hon. member for Peel for expanding on what I have done in the past. It is not for me to tell people, but I appreciate the points she made because I do know what my views are. My views are that our heritage is important, the Island has a unique heritage and we should try to save it where possible. Hindsight is a wonderful thing; it is easy to criticise those in the past (*Interjection*) because we lost things, but they had no money. Only for Sir Charles Kerruish you would not have a railway up the north, and he fought against all the odds in this place to get Tynwald to provide money when the Island had no money - and he won. The point is we have been very lucky: we had money. Now my point is that I am trying, very hard, to find a way forward to deal with the Queen's Pier. Mr Shimmin said, 'I am fed up', I have to say some of his language for a parliamentary place (*Laughter*) was not necessarily very good but, 'Why is it taking so long?' Well, I have to say with the greatest respect to the hon. member and to this hon. Court, my department only has so many staff. We have other duties to carry out,

we have other priorities to deal with and, no matter how desirable the Queen's Pier is, we have to fit that within our workload. We get other motions that come to this Court which then says to my department, 'By this time you shall report back to Tynwald,' and we have had to do that and the coastal report, which we had a very short timescale, became a greater priority because we endeavoured to come back here to Tynwald Court within that timescale.

The Speaker: Do nothing.

Mr Brown: We have given it to the right department. Only one of their members is fighting back because he does not agree with his minister. In fact, he said he does not care about his minister -

Mr Houghton: Two of them.

Mr Brown: - but that is a matter for him and his minister -

Mr Houghton: No, and me.

The President: Hon. member for Douglas North - please, Mr Brown has the floor.

Mr Brown: So as far as I am concerned, Mr President, there is no lack of commitment to try and advise Tynwald on a way forward. It has been said, 'Oh, this was not a problem with Laxey.' Excuse me, when we did Laxey we actually provided a report, drawings, how we were going to do it, all the information. It took us, I think, about 18 months to two years to get to that final report and then we had to battle in the old system against Treasury who did not want to know, and in fact it was only because of winter work schemes we got the thing moving.

So I am used to using the system and use the system to the best benefit to get to where we want to go. What I have got to do with my colleagues on the department is find out how we can deal with it, and yes, an option is: lose the pier altogether, save the whole pier or reduce it in length, because how do we say to our taxpayers that this is what we are wanting to do without examining all these issues? That is my responsibility and, if it takes time, I am sorry, but I do not really care because I am the one who eventually will have to stand up in this hon. Court and justify expenditure of millions of pounds of taxpayers' money on something that we are having difficulty finding a purpose for, except it is there. And I have to say, as an enthusiast who wants to retain the pier I am having considerable difficulty in saying, 'How do we make a case to Tynwald Court for the expenditure it is likely to cost?' We have a very narrow pier, a very long pier, but the purpose is different than most of the piers in the United Kingdom, which of course were built for leisure and entertainment.

We went to Llandudno and it was very helpful to go to Llandudno, but they have problems and I tell you what: in Llandudno nobody is allowed to have any amusements anywhere except on the pier, and you have to go on the pier if you want to go and enjoy yourself on holiday in Llandudno. So everybody goes to the pier. The problem

we have in Ramsey is, we are going to have this pier which is an important part, as far as I am concerned, of our heritage, which is in Ramsey away from the town centre, and the question is, what are we going to do with it to attract people to go on it? Now, with the greatest respect, I walked the pier one romantic night with my wife-

Mrs Crowe: Oh yes.

Mr Brown: Once -

A Member: Many years ago.

Mr Cannell: That was plenty! *(Laughter)*

Mr Brown: Once.

A Member: That was enough. *(Laughter)*

The President: Hon. members, we will be quicker if you would get on with the debate.

Mr Brown: - and I tell you what, Mr President, it was wonderful standing back and looking at Ramsey from however far out it is, a mile out; it was wonderful -

Mr Delaney: Some day this will all be yours. *(Laughter)*

Mr Brown: - it was fabulous, but the point is that does not excuse us from making sure that is we are going to spend millions of pounds in capital investment and we are going to have an ongoing commitment of possibly tens if not hundreds of thousands of pounds per year of revenue, it does not excuse us from making sure that whatever comes to this hon. Court to ask for that sort of funding is justified. That is my responsibility, *(Interjection)* no-one else's until it comes here. It will only become your responsibility, hon. members, when you are asked to approve expenditure, but at the moment it is my responsibility and that of my colleagues to say, 'How do we make a case that we think we can sustain and which in fact has merit?' So the starting point is I want to see the pier saved. That is my starting point. Now then, how can I make a case? And there are options.

Now, I would like to cover a couple of points with regard to costing. The BWP report which we have had these figures quoted about - I mean, that is wonderful, but we know they did not have a structural survey of the pier and I did write back to the Friends of the Pier and say we found their report most helpful, so they were not ignored. What they wanted was us to say, 'Yes, that is exactly what we want, we will do it.' We said the information provided in that report was helpful but, with the greatest respect, it is not our report; we did not set the terms of reference, the people did not go on the pier and do a structural survey, they did not go underneath the pier, and-

Mr Singer: They did.

Mr Brown: They did not climb underneath the pier; they went under it in a boat. *(Laughter)* They did not climb

up and go round underneath the actual metalwork of the pier and see the corrosion and whatever it is; they saw the legs and the stanchions And they saw what had been good maintenance, because in the Isle of Man, unlike in the UK, to keep men in work on the Harbour Board, as it used to be, every year they pitched or black-tarred, or whatever it was, the legs of the pier and the framework, so we know that generally the framework is in reasonably good condition. It is the actual platform that is in terrible condition and some of the crossbeams and so on.

Now, the point we have is that when we went to see the Llandudno pier and we met with the very people who looked at the Queen's Pier - so we talked to them about what they had seen and what they had done - they said to us quite clearly that they - these are the people who did it - had no experience of the cost of construction on the Isle of Man and that the figure that they had supplied for the Friends of the Pier had been of 'minimal works' in what they think was required consistent with what they had done on the Llandudno pier in the UK and their costs. With great respect, who is going to ask me - well, I would not do it - to come here to Tynwald Court and say they have done this report; that is the sort of figure we are looking at? We do not know. And in fact I have to say to the hon. member for Ramsey, Mr Bell - and he knows better anyway, but I will say it - he knows we are not asking Captain Brew to provide us with financial information; he knows that. He has been told that in letter.

Mr Bell: I am quoting your member.

Mr Brown: You know, with the greatest respect, Mr Bell, we do not, the hon. member for Ramsey. The figures we have from my chief executive - and I would suggest if anybody knows about figures he knows about them - based on, I think it is, some time ago anyway, was £2,300,000 plus. That was December 1999 for the works, through the normal government procedures, of all the things we require based on what we knew at that time would be required to expend in capital terms on the pier.

Now then, we and the department are trying to progress this issue. I have, which is not long with us, the draft report, which I am not going to quote because I cannot, but which says that an undertaking I have given to Ramsey Commissioners, to the two members for Ramsey and to the Friends of the Pier is that first and foremost we want to consult with them when we have got an idea of what the options are and what we believe is a way forward. Whether or not they will like it is another issue, but what we have said is we will consult them, and then, after that consultation, we revisit our report, see whether or not we should make changes and then see what we do to go forward, and then it is my intention - because there is no requirement on me to do it - it is my intention then to provide a report back to Tynwald Court. I am not required at the moment to do that. The last report that was passed had no requirement on the Council of Ministers to report back to Tynwald; it was left with the Council of Ministers to see how we can make progress.

We have an amendment which is to say to the department, 'Come back in March 2001.' Now, with the

greatest respect, to be quite honest, between now and the end of the year my department, with my commitments and that of the officers, has virtually no time left for meetings with anybody, and I am not just saying that; we are all busy, we have all got commitments. We have got, in the department, to consider this report. I am the only one who has yet seen it so the members and myself have got to discuss it and see whether or not we agree with its content. I have to say it is likely to be amended, even in its present form, before it is then given to other persons outside the department to consider. If we talk about going to the March 2001 - and it is likely, and I only say it is likely, that the report that we provide will have financial implications - then we have to put that into Treasury by the 7th February. I am sorry, with the greatest of respect, if you are wanting me to have meaningful consultations with those people in the north of the Island who have this direct interest. . . and I have to say, I think that the Friends of the Queen's Pier have done a great job for the Isle of Man in keeping the issue alive; (**A Member:** Hear, hear.) I am not critical at all of them. I think that they are great, they provide a service, they keep an interest in the pier and I hope, and it is certainly my intention, to have them involved in the future of the pier and its operation. But if I am going to do this properly, if you say March 2001, I have to say now I may only be in a position to say I am not yet ready to come back to Tynwald.

A Member: Well, that would be something. (*Laughter*)

Mr Brown: Well, it may be something to the hon. member, but it really is something and nothing, and it is certainly a false hope. Let us be honest to people. My view is I will come back to Tynwald as soon as I can once we have carried out meaningful discussion with those interested parties, once we have finalised our report, once the Council of Ministers have considered it, once Treasury have considered it, and then, members, it will be over to you. You will then have to make the decision that is required whatever that decision may be, and you may decide you want to amend it. Well, that is your right, your privilege; that is why you are here. All I am saying is we are not skiving, we are not wasting time, we are not hiding it under a shelf; we are endeavouring to progress this important issue with all our other issues in the department and all the other pressures we have got trying to get things brought forward.

I would just like to basically finish by reading a letter, because I have to say that I think it is unfortunate and unnecessary, because of commitments I have given to the Friends of the Pier and to the members of Ramsey advising them that I am genuine about coming forward, that we end up in the situation where a petition was presented at Tynwald in July. We now have a motion which is before us - oh, you know, they have the right; I do not question the right, but I think it is unfortunate when there is a commitment there which has not been there before, or certainly for a long time, which is actually to do something. When I went to the Department of Transport in 1996 the policy of Tynwald was to mothball it and just leave it there, and when I went in I said to the chief executive, 'I do not

believe that is realistic. We have a duty to find a future for the pier or determine what we do with it,' and I initiated the working party, which I asked the hon. member for Ramsey, Mr Singer, to chair. He is fully aware of the problems of trying to find a way forward on this issue. It is not a lack of commitment; there are real, genuine problems in putting the case together to make the thing viable, to make it practical and to have a realistic future for it. And I will just read the letter which I write to Mr May, the chairman of Friends of the Queen's Pier, on 5th May 2000, just so it is quite clear when people say we are not keeping them informed and we are not interested in it. I quote from part of the letter, 'I can confirm that I advised the Friends' committee that my department is continuing to progress proposals regarding the pier in that I have had meetings with the government's conservation officer, who is assisting my department in our endeavours. As I indicated previously, once my department has formulated what we believe to be realistic proposals, it is my intention to consult with your committee. I can confirm that whilst there is considerable goodwill within my department to try and find a realistic solution regarding the future of the Queen's Pier, I acknowledge that progress towards what I and my colleagues hope will be a realistic and acceptable option which will secure political support as well as community support is not without its difficulties. However, I can assure you that we continue to make progress, albeit slowly, and I do hope we will find an acceptable way forward which can be progressed'. The 5th May - if that is not a commitment to try and do something I do not know what is, and yet July 5th we have a petition. Okay, it is their right, but I mean, here we are as a department genuinely trying to find a way forward to resolve this issue, which is not an easy one to resolve.

Mr President, I would hope members would trust the department to do what I have said we are doing, which is putting together a report; we want to undertake proper consultation. Do not play about with an amendment which says, 'Come back' when I am saying to you I do not believe we will get back for that date, which then means that I come here and I make a statement to say I am not ready yet. All I can say to hon. members - and it is up to you whether or not you trust me - is that I will come back to Tynwald Court as soon as I can with a report based on what we believe is the future for Queen's Pier. It is up to you.

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

Mr Delaney: I think the best of Tynwald is coming out now, Mr President, even at nearly ten to eight at night. The debate is interesting. Maybe the subject might not be interesting to a lot of people; it certainly is to me, because some things in their own entirety are worth saving for themselves. There is no doubt about that. I also am fascinated by the way history gets rewritten. I have always thought history is bunk and, with due respect to a man I had so much respect for, Mr Les Peacock, God rest him, who was the Water Board engineer, 1971 and who arranged for the restructuring, under great difficulty and financial difficulties, of the whole of the observation platform on

Laxey Wheel and the organisation of the spindle that at that time was rocking - and I know this so well because it was the first job that I got from the government and recognised the government in my own skill of getting people on the job and lifting up huge timbers that could not be lifted up any other way because we did not have a crane that could do the job, and that was what my first job and I remember it well, and I can remember the difficulties Mr Peacock had to be able to get the price of those 22ft long 24 x 24 Paraná pine timbers, which had to be shipped in, to do the job down there, and so I am fascinated by who saved the Laxey Wheel and I am also fascinated by the Northern Railways, because a colleague of ours who has gone to his maker, Mr John Christian, I can remember led and fought and used at his disposal the *Ramsey Courier* with the aid of an awful lot of other people to do it, and I am sorry that we have overlooked John's part in that. Whether you liked him or not, he was one of the major factors in that and I was happy to see it restored because I inherited, with the support of Tynwald, the chairmanship of the Railways Board when I came in.

Whatever way you put it we have got to do something. Is it or is it not a fact that it is dearer to knock down than to put back together again? I do not know. I could not tell you. I have had that much information been given on different stories - 'it is' and 'it is not' - nobody knows. We are told now there is a report, another report - because it is not the first - coming to us about the state of Ramsey Pier and whether or not we will be able to put it back together at a reasonable price. What is reasonable? A million? Two million? I could not tell you, but I am sure of one thing, that Ramsey Pier, in the light of the financial circumstances this Island finds itself in, is worth saving. In other times when we would not have the money for other major purposes it may not and may have to go on the back burner, but in the light of what we have and what we are doing I think Ramsey Pier is worth saving.

I do not share the view of some who say that Ramsey has not been neglected, I honestly believe and I am partly responsible in some way, maybe, for that. I think Ramsey has been neglected. As an observer I think it has. I do not think we have put the effort into the second major town on this Island that we should have done, and I think it will be to our detriment that we have not done it. Ramsey is 18 miles away from Douglas. It is not a great distance at all. We talk about the situation in relation to people having to travel to Douglas. We all know people, members of the family, who think nothing of travelling two hours into London every day and two hours back, and when I hear people talking about dormitory towns, that I disagree with because maybe that is the use the families will be to the Island in the next 100 years. But we have to put some sort of structure in Ramsey to make people want to live there and commute to Douglas if that is going to be the thing. They cannot just sit out there and, if they want entertainment et cetera, et cetera come into Douglas. They will consider they want to spend their evenings out in Ramsey and they want to do the things that people, when they go home to where they live, want to do, and at the moment they cannot do it. That is quite clear to anyone who knows Ramsey at all. There is little, if anything at all,

in Ramsey during the winter for them to do after they have left Douglas.

I believe that - I think Mr Bell said it - if you do not support the major resolution, support the amendment. That is obvious because it is necessary to make a decision on whether or not Ramsey Pier will be knocked down or will be refurbished.

I agree with him also, it is pointless talking about part of it; it would be a waste of time to talk about part of that pier, that would be a joke, but the whole thing or take it down, but do not leave it there, because it does reflect neglect. If you drive through Ramsey, they have got a wonderful visage in Ramsey Bay and then you see that pier and you think to yourself 'Is the war still on?' because it looks like something out of Dad's Army, the end of the pier, it really does - the Rock Emporium. It needs something; it really does. (*Laughter*)

The President: Hon. members, I am really getting a bit tired of the background in here and particularly from the North Douglas corner. Thank you.

Mr Delaney: The situation is that it is the observation of most of the people that they see it as lying neglected and they see the prosperity that is booming around them, and they think 'Well why can't they do something with it, either knock it down or put it back together?' That is what the ordinary man in the street, I am sure, is thinking. I, here, see it would be better to put it back together for posterity and for the future generations while we can afford to do it, and I do not think that the figures that they are talking about are horrific at all. I think that people, even on the mainland, Llandudno was mentioned ('Clandudno', actually, it is pronounced); my gosh, would you be going to Llandudno for a night out? I do not think so if you know Llandudno. If you think Douglas is bad in the middle of November, you want to go to Llandudno. It is really horrific.

I think that we have got better than that in the Isle of Man and certainly in Ramsey and I want to support the members for Ramsey because I think that it is about time we showed the people up the north that we do mean. . . and they are part of this community, and I think this is one way of doing it.

The President: The hon. member for Ayre.

Mr Quine: Thank you, Mr President. I think there are just two aspects I would like to very quickly comment on. First of all, where is the case for saving the pier? And some of those who have contributed have been looking for business plans. I do not believe you are going to find a business plan that is going to justify the upkeep or the salvaging of Ramsey Pier. You are looking at it in the wrong light, but I will suggest to you the light that you should be looking at it. If the Tower of Refuge was crumbling, (**Mr Delaney:** Hear, hear.) would we be entering into a debate of this nature? Not at all. The money would be on the table tomorrow and I would be one of those supporting it for to ensure that it was kept because it is a vital feature of the whole of the Douglas setting, the whole of the Douglas

Harbour, and that is the light in respect of which we should be looking at this pier. (**A Member:** Hear, hear.) All of us - we all know Ramsey Harbour; just close your eyes and imagine for a moment Ramsey Harbour without the pier. It would not be Ramsey Harbour, and that is where I want to leave it, Mr President. I will waste no more time and I would ask hon. members just to keep that in mind when they are judging this motion.

The President: I call on the hon. member for Ramsey to wind up the debate. Mr Singer.

Mr Singer: Thank you, Mr President. I will be as quick as possible. First of all, I would like to thank my colleague, Mr Bell, for his contribution and his seconding. There is no doubt that Mr Bell's commitment has been long-term support. I know that he has fought that position through the Council of Ministers against great opposition.

Mr Kniveton spoke very early on and he said that he felt that it was the wrong time to put this motion onto the agenda paper, but, as I said, 10 years to me does not seem an awful long time and it was only yesterday morning when we had a hint from the Chief Minister when he ducked and dived when I asked him a question - he would not give an answer - when he mentioned about a report. That was certainly the first I had heard of a report ready to come forward. It was the first time, I think, that my colleague, a member of the Council of Ministers, had heard that there was a report to come forward, and of course we have heard since that this report that we are told is coming forward is actually only on the minister's desk. It has not even been considered yet by the members and the member, Mr Kniveton; ports are his responsibility, but he has not seen it yet. So life is full of coincidences, isn't it? It is a coincidence that, as I put this motion on the agenda, suddenly this report is coming forward.

Members: It is not true.

Mr Singer: I do not know, there is no report, there has been no indication to me or to anybody else that the report was ready to come forward.

Now, I would like to have heard also in this report that full refurbishment was an option, but it does seem to me that perhaps, from what has been said today, full refurbishment is not really being considered as an option. And to go out to consultation now after that report comes to Tynwald - how long is that going to take? It is going to take an awful long time, and Mr Braidwood's resolution he has put it in good faith, but by the time that resolution comes to Tynwald and goes out to consultation, we are into an election. The whole thing probably dies; we get nowhere. So I do not think that Mr Braidwood's, with all his good intention, is an option at this time.

Now, I welcome the department's decision to offer members a chance to walk along the pier. I am sorry more members did not take the opportunity. I actually turned up at 10 o'clock, thinking the pier was open from 10.00 until 12.00, I stayed until twenty past ten and nobody arrived. It would have been, I think, more useful if someone had been there from 10 until 12 to allow people to walk on the pier.

If I can go into a few things that other people have said, I think Sir Miles's very reasoning will see the pier disappear.

Mr Crowe was talking about total refurbishment. He said, 'I do not think we should be working to a date', but if you do not work to a date, then we know it is too late. We have a problem that the years have gone by and the pier is deteriorating, and it is no good having no fixed date because there will be nothing to refurbish in the long term.

Mr Downie said it has been pushed around government's departments. I would say to him that the pier, as I have just said, is not locked in a time warp. We are not in the safest position that we have been because nobody is saying 'Take it down.' The fact is that bits of the pier are falling off and floating to Scotland as time goes by. We have to do something and that is why the resolution is here: to try and ask Tynwald to say, 'Yes, we must do it' and start it within a fixed timescale before it is too late.

I thank Mr Henderson for his support and I know he has lived in Ramsey and he would have used the pier and he is a supporter of that.

Mr Karran talked about Mr Kneale and how he was forward looking and he was the one who started the process of retaining the Laxey Wheel, and I quote Mr Cretney yesterday who said, when he was talking, 'It is easy in retrospect to regret a decision.' I think that is what Tynwald may well look back at and say in a few years' time, and I would say to Mr Karran, I think he is under-estimating the residents in his area and also in Douglas. We know that we have members of the Friends of the Queen's Pier from Douglas and from Ramsey and they are very supportive and they turn up every year to step on the pier on the Queen's Pier day.

Mrs Hannan talked about the need for a report to find the way forward. This motion is on the paper today because the report has not come forward. We have been waiting and waiting and waiting, and even from that resolution of Tynwald, when we came forward with the proposal for the statutory board, which was rejected and it was sent back to the Department of Transport, which is almost getting on for three years ago.

Now, Mr Brown said that he recognises Ramsey is an Isle of Man issue and he said that he has been fighting for the House of Keys, Castletown, and he also fought for the Laxey Wheel. Fine. I praise him for fighting for those two items. The difference is, of course, that the Queen's Pier is in a unique position in that it is in the sea and it is being worn away every winter in particular, and we have waited 10 years whilst the pier has faced those elements. Therefore there is a difference in priorities and within his department the priority should, I believe, be recognised that the pier is slightly different to other things in that it is going to get beyond the point of no return and it will not be able to be repaired. So, Mr Brown said he is the one who has to come round and present the case to Tynwald when it is there, but if we get to next November, Mr Brown may not be there in order to have to present this case to Tynwald. He will not have to justify anything, and by November who will have to do it and will it then be too late?

Now, the minister talked about the BW report and how BW said to him this and they said to him that and that they

had done this and done that. He has had this report since February 1999, and the first time that I or Mr Bell or the members of the Friends of the Queen's Pier who sent in that report have had any comment from the department about what BW said is today.

Mr Brown: Rubbish.

Mr Singer: No, it is not, it is not rubbish.

Mr Brown: It is all right; I will quote a letter in a minute.

Mr Singer: The Friends of the Queen's Pier could have been told 15 months ago the comments of the department, whether the figure given by them of £1.27 million was accurate or not accurate. I have not heard the department comment on those figures and I do not think anyone else has until today.

Mr Brown: A letter of 3rd December 1999.

Mr Singer: And it is very good of Mr Brown to say that he is going to involve the Friends in the future operation, but the question is when? And what we have got to say is 'What pier?' because if it goes on as long as it has been going on and is allowed to drift then we will not have any pier there to do anything to.

So finally I would say to members, the future of a refurbished Queen's Pier lies not only in its history, but in its recreational facilities for all the public, and particularly for those weaker people in our society who cannot walk distances, but who would be able to, again, enjoy a stroll along a flat even surface and experience a view which is unsurpassed on this Island. That is why the pier would be restored: for them, for the fishermen and for the people and for history, for heritage and for recreation. So I would ask hon. members to ensure that this millennium year is not the year that marks the final demise of the Queen's Pier, and I ask them to go with the resolution, not to sit back and go for the amendment, which is really saying 'We again do not want to make a decision.' Go for the resolution and indicate to the department that Tynwald chooses the option of total refurbishment of the pier and nothing less. Thank you, Mr President.

The President: Now, hon. members, the motion before you is that printed at 37 in the order paper. To that we have but one amendment, an amendment moved by Mr Braidwood: for the words 'that' substitute 'following the resolution of this hon. Court at its February 1998 sitting, the Council of Minister's report on a suitable scheme for the Queen's Pier Ramsey no later than the March 2001 sitting. Hon. members, those in favour of the amendment, please say aye; against, no. The ayes have it.

A division was called for and voting resulted as follows:

In the Keys -

For: Messrs Gilbey, Quine, North, Sir Miles Walker, Mrs Crowe, Messrs Rimington, Brown, Houghton, Cretney,

Braidwood, Shimmin, Downie, Mrs Hannan, Messrs Karran, Cannell, Gelling and the Speaker - 17

Against: Messrs Henderson, Duggan, Singer and Bell - 4

The Speaker: Mr President, the amendment carries in the House of Keys, 17 votes in favour and 4 votes against.

In the Council -

For: Messrs Lowey, Kniveton, Mrs Christian and Mr Crowe - 4

Against: Messrs Waft, Radcliffe and Delaney - 3

The President: The Council voting: 4 for and 3 against; the amendment therefore carries.

I will put the motion as amended before the Court. Will those in favour please say aye; against, no. The ayes have it.

A division was called for and voting resulted as follows:

In the Keys -

For: Messrs Gilbey, Quine, Rodan, North, Sir Miles Walker, Mrs Crowe, Messrs Rimington, Brown, Houghton, Henderson, Cretney, Duggan, Braidwood, Shimmin, Downie, Mrs Hannan, Messrs Singer, Bell, Karran, Cannell, Gelling and the Speaker - 22

Against: None

The Speaker: Mr President, the motion carries in the House of Keys, 22 votes in favour and no votes against.

In the Council -

For: Messrs Lowey, Waft, Kniveton, Radcliffe, Mrs Christian, Messrs Delaney and Crowe - 7

Against: None

The President: It takes a while, apparently, to get unanimity, but it appears as if we have unanimity at this particular stage. The motion therefore carries, hon. members.

Procedural

The President: Now, hon. members, item 39 in the name of Mr Henderson has been withdrawn and item 40 will not be moved. I have been given an indication from Mr Rimington that he is prepared to carry over item 38 (**Members:** Hear, hear.) until next month's sitting. With your agreement, members, I am happy that that should take place.

Mr Quine: We are very happy!

The President: I would just like to make it plain that I am aware that members did turn up to view the Queen's Pier at the weekend. There appeared to have been confusion and the letter that went to members did state that whilst it would be open from 10.00 until 12.00 it was by appointment, and if you had not contacted Captain Brew to make the appointment that is the way it was left.

Hon. members, that concludes the business before us on our order paper, therefore, today and I would say that the Council will now withdraw and leave the House of Keys to transact such business as Mr Speaker may place before them. Thank you, hon. members.

The Council adjourned.

House of Keys

Paper Laid before the House

The Speaker: Hon. members of the House of Keys, will you please be seated? Hon. members, you have the order paper. I ask the Secretary to lay papers.

The Secretary: I lay before the House:

The Local Government (Miscellaneous Provisions) Bill,
Mr Gilbey.

The Speaker: That is the completion of the business, hon. members. The House stands adjourned to a sitting in its own chamber on Tuesday next, 28th November. Thank you very much, hon. members.

The House adjourned at 8.15 p.m.