



GOVERNMENT OF GIBRALTAR
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Attached please find Chief Minister's New Year's message.

NEW YEAR BROADCAST 2007

I hope that you and your family and friends have had a happy Christmas and New Year festive period.

In my New Year address to you last year I said that 2006 should prove to be a politically significant year for Gibraltar. And so it has been. It has been a special and important year – perhaps unprecedentedly so – of progress and achievement for Gibraltar on many fronts, and not just the New Constitution and the Cordoba Agreements with Spain. 2006 has also been another hugely successful year for Gibraltar economically; great progress has been made on the housing front and very significant improvements and advances have been achieved in our health services. And the Government's extensive capital investment programme continues apace, transforming the face of Gibraltar.

On Tuesday of this week, our new Constitution came into effect. This represents the fruit of eight years political work, the achievement of one of the Government's major manifesto objectives since 1996, and one of the most important events in our collective journey as a people in our homeland. We will accordingly mark the day with a public holiday on Monday the 29th January.

This Constitution gives us practically everything that we want. It recognises that Gibraltar is our homeland by maximising our self-government and thus our control of our destiny and affairs and by enshrining in it our right to self-determination; and, crucially, it preserves the right for us and our homeland to remain British for as long as we want.

In short, this Constitution puts us into a modern, non-colonial constitutional relationship with the UK, while at the same time fulfilling our aspiration to truly govern ourselves to the greatest extent possible consistent with our wish to retain British Sovereignty and close constitutional links with the UK. In other words, effective practical decolonisation without breaking our links with Britain. This is precisely the form of decolonisation that we wanted and sought. For these reasons, this constitutional relationship with the UK is one with which Gibraltar can be content for many, many years to come, indeed indefinitely if it comes to that.

The Government and the Opposition both agree that this is a Constitution beyond which there is really only a constitution for independence. But since we do not want independence because we want to retain British Sovereignty and Constitutional links to Britain there is not much available that we want beyond this Constitution. We do not want a Constitution or a form of decolonisation that breaks our Sovereignty and Constitutional links with Britain. So those who say that this Constitution is not enough need to explain to the people of Gibraltar their exact agenda especially in terms of the implications for Sovereignty.

And of course, the UK Government has recognised two very important things: firstly, that the referendum by which we approved and accepted the new Constitution is an exercise of our right to self determination; and secondly, that the new Constitution results in a modern relationship between the UK and Gibraltar, which cannot be said to be based on colonialism. Neither of these is compatible with Gibraltar's status being, in reality, colonial. A colonial status cannot be said to be a modern relationship or one not based on colonialism. This is the route to and manner of decolonisation that the GSD Government set out: decolonisation through modernisation of our constitutional links with Britain.

There are those in Gibraltar and elsewhere, that appear to see decolonisation only in terms of the United Nations and delisting. That is no more than a concern for form over substance, and represents a misconception of political and factual reality. Colonialism, in

terms of substance, is principally a matter of the mind and of practical realities. What colony has ever enjoyed the degree of self-government that this Constitution gives us? Indeed, there are places which are not colonies but which enjoy less self-government.

The United Nations has never lifted a finger to help us achieve their version, vision or definition of decolonisation, shows no inclination to do so and very probably never will. It was therefore right that, while that remains the case, we should move on by other practical and effective means to achieve our legitimate political rights and aspirations. That has been the GSD's policy since 1996, and that is what has been achieved by this New Constitution.

Those politicians in Gibraltar who think otherwise will need to explain to the people of Gibraltar, clearly and in detail, what they hope to achieve and whether, how, when and at what cost they hope to try to achieve it. Unspecified, unexplained agendas are no longer acceptable.

Leadership is not about sitting on the fence on important issues or about putting partisan interests before the interests of Gibraltar. It is about clarity and consistency of guidance to the people, and statesmanship.

I, for my part, believe that this Constitution gives us a solid, stable and entirely acceptable constitutional and political status and relationship with the UK, upon which Gibraltar can continue to build a politically safe and dignified, and economically and socially prosperous and caring homeland for ourselves, for our children and for our future generations to lead happy and fulfilled lives. That, after all is the purpose of politics.

In terms of the United Nations, the United Kingdom has also said some important things which fully protect our position. Firstly, she has recognised our right to self determination under the UN Charter; secondly, she has declared that the principle of territorial integrity, upon which Spain's case rests, does not apply to the case of Gibraltar; thirdly she has said that she will not enter into any sovereignty negotiations with which Gibraltar is not content; and fourthly, UK has reasserted that she will not transfer sovereignty or enter into Sovereignty arrangements against our wishes. These UK position statements underpin our new Constitution and leave our position before the UN fully protected.

The other area of substantial progress, and injection of greater normality for Gibraltar, is the Cordoba Agreements where the Governments of the UK, Spain and Gibraltar have worked hard, leaving issues of Sovereignty safely aside, to improve relations and the lives of people in Gibraltar and the Campo alike.

Our airport is now open to normal air links with the rest of the world. Flights to Madrid have already resumed, and we hope that flight to and from other countries will follow soon. Gibraltar airport is and will remain Gibraltar Airport. As promised, there are no implications for Sovereignty, jurisdiction or control of the Airport or the Isthmus. Management and control of the airport is and will remain exclusively in our hands – as will all forms of political, administrative and legal jurisdiction and functions.

The settlement of the Pensions issue brings three huge benefits for Gibraltar. Firstly, it lifts a big political and financial risk and uncertainty from the future; secondly it removes an obstacle to good cross border relations and thirdly, but by no means least, it enables the Government to raise the level of Gibraltar pensions for all other pensioners. Consequently, and without affecting Community Care, our pensioners will be able to enjoy a very significant improvement in living standards when old age pensions rise by 65.2% in April.

The frontier measures are now coming into effect and the early signs are that frontier fluidity will improve, as well as reflecting a more normal frontier regime. And finally, in mid February, Spain will accept our 350 code, and normality will be restored in all aspects of telecommunications between Gibraltar and Spain.

All of these agreements are important in their own right, but perhaps the most significant aspect is the degree of greater normality that they bring to important aspects of our day to day lives which for too long have been affected by unnecessary abnormality. Significant too is the improved prospects that now exist for better, more enlightened and more constructive relations with Spain, based on mutual respect. I was glad to be able to welcome to Gibraltar the first serving Spanish Foreign Office Minister in Bernardino Leon. That was a bold political gesture by the Spanish Government that we should recognise and appreciate.

And so, at Cordoba we cleared the decks of several of the most intractable problems affecting Gibraltar – depriving us of normality: 350, mobile telephone roaming, red and green channels at the border, Spanish pensions and frozen Gibraltar pensions and lack of air links with other countries. And yet, in the face of these huge gains for everyone, the Opposition can find only one criticism in the whole package, and even that is not true, namely, that Spain will exercise controls on people entering and leaving Gibraltar. Spain will not, now or after 2008, be exercising any control whatsoever on anyone relating to their leaving or entering Gibraltar. Nor will Spain be able to deny anyone the right to enter Gibraltar, nor deny anyone the right to leave Gibraltar (except of course by refusing their entry into Spain as they can do to-day at the border). None of that will or can happen under the Cordoba agreements. But those who have to find a way of spoiling every party will no doubt persist with their false assertions.

Plans for a new, enlarged, modern air terminal, together with new roads, a tunnel under the airfield and airport and other car parking are under design at present. The Government will publish design details as soon as possible, from which you will be able to see how the system will work, as I have explained. Spanish officials, located in Spain, will only grant advanced Schengen entry or deferred Schengen exit clearance to passengers who themselves are located in the terminal within Gibraltar.

This advance clearance system, where you get clearance to enter your country of destination in your country of departure before you begin your journey, is not uncommon – It happens also for example in respect of journeys on the Eurostar Channel Tunnel Train between UK, France and Belgium. It has no Sovereignty, jurisdiction or other political implications whatsoever. It is a purely practical arrangement that gives Spain no say whatsoever over our affairs. Only Gibraltar officials will exercise Gibraltar immigration controls, and only Gibraltar immigration controls will be required to enter or leave Gibraltar. The proof that this is so, is that these advance and deferred Schengen clearance arrangements will apply only to flights between Gibraltar and Spain. For what the Opposition were implying to be true, Spain would also have to do these things for flights between Gibraltar and other countries. Yet she will not do so. It is a huge political red-herring, typical of the Opposition's nit picking "party pooper" style of politics.

The Cordoba Agreements are good for Gibraltar and completely safe politically for Gibraltar. I believe that there is no justifiable reason to oppose any part of any of them. But in any event the agreements are a package, agreed to by the Gibraltar Government. They must be accepted in full by Gibraltar or rejected in full by Gibraltar. For anyone in Gibraltar to think that having negotiated and agreed agreements we can now pick and choose the bits that we implement, is dishonourable and disreputable. Gibraltar would never be taken seriously again on the political stage.

And so, we enter 2007 with an excellent, new, modern constitutional relationship with the UK, with improved relations with Spain at all levels and with greater normality in our lives and affairs following the resolution of many long standing problems.

Gibraltar should not, and does not need to fear politically safe normality and progress in our relations with Spain. We are politically capable and mature and therefore able to look after ourselves politically. Rather, Gibraltar should fear those amongst us who would seek to condemn us to unnecessary abnormality in our lives as a matter of political dogma and ritual, as a matter of habit and for their own political self-interest. It is as if some politicians believe that their particular style of politics can only prosper if the people of Gibraltar are permanently in a state of political agitation and anxiety in relation to Spain. That is not the sort of political leadership that Gibraltar needs or deserves – or I believe, wants. It may suit some politician's philosophies to pretend that Gibraltar is only politically safe if we are in a state of permanent hostility with Spain. But is not in fact true. It is not in fact necessary- and the only real victims of that sterile, outdated politics is Gibraltar itself. Of course, when our rights and interests are threatened or denied we fight for them, firmly.

The Government seeks the maximum possible degree of friendship and normality in relations with Spain, but we do so from a position of firmness in our resolve to uphold and protect our political rights and aspirations as a people. We have shown that it is possible to do both. Those who have shown in the past, and continue to show in the present, that they can do neither, or at best do only one of those things, should not seek to make a virtue of their political and leadership shortcomings.

The GSD Government for its part will continue to do as we have always done, namely, secure Gibraltar's political safety first, and then provide leadership in achieving normality and progress in the quality of life for Gibraltar and for the people of the Campo and the best possible relations with Spain as well. We will therefore remain open to continue to work within the Trilateral Forum to build on the achievements and advances made in Cordoba.

But 2006 has not been a year of achievement and important progress for Gibraltar only in relation to the new Constitution and the Cordoba airport, pensions, telephones and frontier agreements.

The economy has also had another excellent year. Employment levels have remained at record highs, the finance centre continues to mature, develop and grow and the gaming industry continues to prosper despite various external challenges, particularly the criminalisation of on-line gambling in the USA. Some Gibraltar operators are responding by reducing jobs, but these jobs will be replaced by new companies that the Government is licensing and by growth in others. The private sector economy continues to perform very well and the economy as a whole continues to grow by around 7% a year. For their part, Government finances remain very strong, despite the untrue claims to the contrary with which you are bombarded at budget time each year. The Government's budget remains in substantial surplus, Government reserves and investment remain at record levels, and public debt continues to fall in real terms to very low economic levels.

This prosperous economy, and buoyant public finances, enabled the Government to continue to share out the fruits of that success throughout the community by continuing significant tax cuts (which have continued during 2006, and are expected to continue during 2007), by expansion and improvement in public services (especially health, social services and elderly care services), by continuing investment in capital projects and, of course, by the announced 65.2% increase old age pensions that comes into effect in April, on top of the abolition of tax on pension income.

Similarly, the Government continues to carry out a wide ranging and extensive capital projects investment programme designed to enhance and modernise all physical aspects of facilities in Gibraltar.

Last year saw the completion or very near completion of several projects, including the magnificent and extensive Bayside Sports Complex (a £10m commitment to Sports & Leisure), the Cemetery beautification, the replacement of the frontier fence and the hugely popular and successful elderly and disabled persons swimming pool at Westside which has transformed the summer leisure time of many elderly people.

Many other projects are well under way at present, including the building of around 800 affordable home ownership flats; essential safety and other repairs to first generation home ownership estates necessitated by poor design, workmanship and supervision; the new prison; the magnificent new Leisure Centre at King's Bastion and the Crematorium.

The Government also continues with its heavy investment programme to beautify our streets, to provide more parking facilities and to improve traffic fluidity on our roads. To that end, three parking projects are currently well under way at Sandpits, New Harbours and Willis's Road. A new road has been constructed through Chatham Counterguard, and a new road is under construction in the upper town. Extensive refurbishment and beautification works have been carried out in Engineer Lane, and are now well under way at Orange Bastion, Fish Market Road and at Europa Road to replace the pavements and balustrades.

And 2007 will see a start in many new and important projects, including the new 700 flats Government rental estate on the mid harbour reclamation site; the regeneration of the site of the old St Bernard's Hospital and adjoining police barracks, into a senior citizens home, a school, open spaces, a car park and housing; further affordable homes at North Gorge; a new school at the mid harbours site and a new road linking Europort and Queensway; the sound insulation of OESCO power station; new children's playgrounds throughout Gibraltar; a new Psychiatric hospital; major works to enable the re-opening of Dudley Ward Tunnel; the refurbishment of Rosia Bay and Little Bay; the beautification of the Southern end of Main Street and the rebuilding of sheds at Laguna Estate. And of course, the new air terminal, roads and tunnel project.

This review gives a sense of the extent of investment in Gibraltar which Government is carrying out with a view to enhancing our quality of life, leisure amenities, public services and physical living environment.

Just as I promised you effective action on housing, so too I promised you effective action in our health service, which has also materialised. There has been a huge effort and investment in better and safer healthcare, in more consultants, doctors, nurses and other staff which each day deliver more and more different kinds of health care and treatments to people in modern, well equipped, well resourced facilities in Gibraltar. This has also resulted in the total removal of many of the waiting lists. The Health Centre service continues to improve and many more improvements at the Health Centre are in the pipeline for 2007. To-day, Gibraltar is close to an excellence, safety and range of healthcare in Gibraltar such as we have never enjoyed.

I would like to pay thanks and tribute to all GHA management and staff who have seized the opportunity provided by Governments' investment and reform initiatives, to deliver these wonderful healthcare improvements to the people of Gibraltar. The process of course, continues.

2006 also saw many other noteworthy developments and challenges, such as the Government's adoption of the Environmental Charter; the co-ordination of all sports and leisure services through a single, dedicated Sports & Leisure Authority (including for the first time the ex-GASA Swimming Pool which is now available for use by the general public, free of charge); the introduction of legislation to counter-act alcohol consumption by young people; the introduction of Equal Opportunities legislation and Data Protection legislation; the increase, by over 10%, in the number of policemen and police women on our streets and the introduction of a Police Authority to make the RGP more accountable and transparent to the community. During the next few weeks we will publish a draft new Housing Bill dealing with reform of many aspects of our housing legislation.

In 2006 the Government also faced a challenge in preparing Gibraltar, which lies within a bird migratory route, for a possible outbreak of bird flu. Government has drawn up contingency plans, culled pigeons, stocked up with appropriate medication and equipment and produced and distributed public information booklets. The Government's Civil Contingencies Committee continues to develop Gibraltar's capacity to deal with civil emergencies of all kinds.

No doubt 2007 will throw up the usual crop of challenges and opportunities. For example, the EU tax case which should be decided during 2007, or the MOD privatisation decision which I am told is due to be made any day now. The Government believes that the workforce has submitted a fair, value for money bid and will continue to support the workforce. Value for money is rightly important to the MOD. But value for money does not mean the cheapest, and it is important that other valuable factors also be taken into account when MOD makes its decision. We will be ready to seize the opportunities and to meet the challenges of 2007.

During 2007 we will continue to invest in our future, politically and economically, to ensure that we continue to enjoy economic and social prosperity as a community, the best possible relations with our neighbours based on mutual respect, and to 'bed down' our new Constitution.

Have a very healthy and prosperous 2007. Life is short – live it to the full, enjoy it and all the blessings that our wonderful homeland offers us, in peace and harmony with your family, friends and work colleagues. Have a good year.