



HER MAJESTY'S GOVERNMENT OF GIBRALTAR

THE CHIEF MINISTER

TEXT OF AN ADDRESS

BY

THE HON. FABIAN PICARDO MP

Gibraltar Day in London – Chief Minister's Reception

Monday 15th October 2012

Minister, Sheriff, Mayors, My Lords, Ladies and Gentlemen

Thank you very much indeed for being here tonight.

We are here to celebrate the links between not just the City of London and Gibraltar.

We are here to celebrate also the deep and long standing links between Gibraltar and the United Kingdom as a whole.

The People of Gibraltar value those links immensely.

We have already said loud and clear in two referenda that we do not wish to pass from under the sovereignty of the British Crown.

If anyone hasn't got the message yet it must be because they are not listening!

Today, when you see the Gibraltar Regiment band provide the music to the evening, you will recall that you are watching a regiment of the British Army that carries the name Gibraltar.

How could our links be stronger than in the representation of them by the Regiment!

But our links are not just military in nature – although it was in a military manoeuvre that first led Britain to Gibraltar.

Today strong links connect us in business – where the City and Gibraltar enjoy a mutually beneficial relationship as Common Law jurisdictions within the EU;

Strong links connect us in education – given that our young people travel to the United Kingdom to pursue their further education at Universities and Colleges throughout the geography of the UK

And our strongest links are with the Crown and the Government of the United Kingdom.

Can I therefore take this opportunity to personally thank tonight both William Hague and David Lidington for their consideration in the months since our election.

I know that the Foreign Secretary is on his way back from Luxembourg tonight and that David Lidington is on his way there for important meetings on of the EU.

They need to bat for Britain in those meetings and we are sorry that they have therefore not been able to be here today for that reason.

I am delighted to say that the relationship which I have developed with both, demonstrates the attitude of mutual respect and positive engagement with the Overseas Territories which is illustrated in the White Paper that you have recently published.

A White Paper on which I congratulate the Prime Minister, the Foreign Secretary and all those involved in developing a fresh and modern strategy for this cluster of territories around the world.

Mark, it will now be one of your tasks to work with Premiers across the OTs on delivering on that White Paper.

You certainly can count on the support of my Government in working towards those aspects of the White Paper which remain relevant to the circumstances of Gibraltar today.

The fact is that after 308 years of uninterrupted British Sovereignty, despite never yielding to sieges and all manner of attempts to undermine us, Gibraltar continues to face aggressive Spanish challenges to the undisputable British Sovereignty of British Gibraltar Territorial Waters around the Rock and – for the past five days [BUT NOT TODAY], intolerable queues to exit Gibraltar.

David Lidington's words on this issue this afternoon in the House of Commons were therefore welcome.

Neither the British Government nor the People of Gibraltar will be fooled by any argument contrived to suggest that constant incursions into our waters or lengthy queues at our frontier as are occurring have anything to do with fishing and the supreme importance that Gibraltar's laws should be adhered to in BGTW.

Such challenges have been a scourge of the past 3 years before our election and were to a great extent the initial reason for the floundering of the Trilateral Process of Dialogue which involved the governments of the UK, Spain and Gibraltar.

It is therefore essential that HMG should be consistent, direct and clear about peacefully asserting its sovereignty over BGTW and to the freedom of movement of persons at the Gibraltar frontier.

Because it is essential that Spain NEVER again gets a signal from London or Gibraltar that she can interpret as any softening of Gibraltarians' resolve to remain under the exclusive Sovereignty of the British Crown in perpetuity, as provided for in the treaty signed in the Dutch city of Utrecht almost 300 years ago.

Although it is impossible to see how anyone could be misinterpreting the signals that David Liddington, William Hague or David Cameron, the Prime Minister himself, send out in relation to the exclusive sovereignty of the British Crown over Gibraltar.

Thank you for continuing to be direct and clear in explicitly expressing these important principles in every relevant forum, from the European Parliament to the General Assembly of the United Nations.

And thank you also to our many friends in the House of Commons who today put this issue on the agenda in the Chamber and who were forthright in their defence of our people.

The Commons today was united in support of the People and Government of Gibraltar and we value that immensely.

We saw many of you in Gibraltar over the National Day celebrations – together with many of our friends in the House of Lords.

Let no one doubt the value of our friendship or the consistency of your resolve in supporting our people at every turn.

It is that clear position on Sovereignty that adds to my Government's continued conscious desire to engage positively with Spain and all our neighbours and European partners, on issues of potentially mutual co-operation,

and not because we have to but because as good Europeans and good neighbours we want to.

We stand ready and are strongly committed, for example as HMG has already said it is, to take part in re-activated discussions on non-sovereignty issues under the tri-lateral forum for dialogue with Spain.

That is the formula acceptable to the people of Gibraltar for structured talks with Spain; always with a veto on all matters affecting Gibraltar and with sovereignty firmly off the table.

Because dear friends, **despite these intolerable actions by the Spanish Government, the people of Gibraltar wish to continue with a positive engagement and mutual co-operation with the Government and people of the Kingdom of Spain.**

Despite the fact that whether in the provision of services or goods from Gibraltar there is a constant attempt by Spain to put obstacles in the way of Gibraltar's own continued prosperity and progress.

And this despite the fact that over 7,000 frontier workers who live in Spain and work in Gibraltar are beneficiaries of the economic activity generated by Gibraltar.

The reality is that we could do much more to develop Gibraltar and the neighbouring Spanish regions if we were able to engage in a meaningful co-operation with Spain.

We could create thousands more jobs in Gibraltar and in the neighbouring Spanish towns.

We could transform for the better the lives of people who live around Gibraltar.

These are the real opportunities that I both challenge and invite the Government of Spain to explore with my Government in good faith to improve the lives of people on both sides of the international frontier that divides us.

I remain hopeful of and open to such engagement and willing to participate in it in a spirit of seeking to leave the past historical and sterile belligerence well behind where it belongs.

Lets us all take a step forward to grasp the opportunities of the future.

But not without also realising that there are challenges facing Gibraltar of another sort also.

The creeping attempts at harmonisation of taxes in Europe are as anathema to Gibraltar as they are to the UK and the City in particular.

In this respect, as you will know, Gibraltar is by far the pre-eminent jurisdiction in remote and online gaming in the world.

Indeed, since 1995, the industry has grown, under successive administrations, from telephone betting to online gaming to become one of largest direct and indirect employers in our economy.

An attempt now by the UK to lock down its gaming market based on a “place of consumption tax” will be unlikely to produce much extra revenue for the UK exchequer but could spell major problems for Gibraltar's employment market and drive some operators to more opaque markets beyond effective regulation.

And at the same time, the consequences for the Gibraltar economy would be potentially very challenging indeed, given its size restricts the diversification possible.

Moreover, a tax based on the place of consumption of a service starts to really pervert the idea of a common market and turn it into something it is not.

Needless to say the precedent is an extremely dangerous one.

If a consumption tax can be applied to bets in the gaming services industry, what would stop such a tax being imposed on the consumption of financial services based in the place of residence of the ultimate beneficial owner that receives the benefit of such a service.

This is already taking shape in the form of the “Financial Transaction Tax” and is something we should not give any credibility to by the creation in the UK itself of a place of consumption tax applicable to remote gaming.

The Prime Minister has done sterling work in defending the interests of the City of London and Gibraltar in Europe.

Let this idea of a place of consumption tax not open a gaping black hole in that hard work and potentially undermine the freedom of British companies to provide services in any sector throughout the EU from the UK.

This is an issue therefore on which we are permanently engaged with different parts of HMG and on which Mark, we will look for support in keeping with the development aims of the White Paper and the relationship of mutual respect we have developed at a political level and with officials.

As we will continue engaged in working on some of the many projects in our manifesto where we believe that we can work in partnership with Her Majesty's Government in the United Kingdom.

Next year we will commemorate if not celebrate the 300th anniversary of Treaty of Utrecht.

This year on the 20th anniversary of our National Day, celebrating 45 years since our first referendum and ten since our second, the flag of Gibraltar flew over the Foreign Office in London as a sign of our partnership and friendship.

Let that become a tradition that endures AT LEAST for another 3000 years!

And tonight, let us celebrate a friendship and partnership between Gibraltar, London and the United Kingdom which shall never be broken.

ENDS