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FEETHAM BROADCAST A TISSUE OF LIES

The New Year Message by the Leader of the Opposition has served to confirm yet again that he says the first thing that comes to his head without bothering to analyse the consequences of his statements beforehand. He also behaves as if he has no knowledge of the actions and policies of the GSD Government of which he was a part until the end of 2011. The result, as the Government will go on to show, is extremely embarrassing both for him and for the party that he heads.

Below is a summary of the some of the statements that Mr Feetham has made with answer from the Government in each case.

1. Statement: No announcement in Parliament or outside it of formation of Credit Finance Company Ltd.

This is wrong. Credit Finance was shown in the chart of Government companies presented in the approved estimates of revenue and expenditure for 2012/2013 which were published in July 2012 after being discussed and approved unanimously by Parliament.

2. Statement: Sunborn loan: Chief Minister had lied although it was a Government-owned company that provided the loan and not the Government itself.

This is wrong. There is a clear distinction in law and in practice and in form and substance between the Government, on the one hand, and Government-owned companies, on the other. Indeed, it is a distinction that the GSD themselves used to make when they were in office. For example, when questions were put to them about money spent by the Government on legal advice or legal drafting, the answers given referred only to the work of the Government and not to the work of Government-owned companies.

3. Statement: Government is using Credit Finance to fund manifesto commitments and provide loans to third parties without having to account to Parliament.

When the GSD were in office they too funded capital expenditure projects through Government-owned companies. This expenditure was also not approved by Parliament. Indeed, in the period from 31 March 2002 until 31 March 2011 this amounted to £ 271.3

million. This money did not require the approval of Parliament. Moreover, Mr Caruana told Parliament in June 2005 that Waterport Terraces would be funded mainly from the part of Government reserves held in companies. In June 2007 Mr Caruana reported that £ 28 million had been spent on projects through the Improvement and Development Fund and £18 million through the companies. In June 2008 he reported that £ 48.2 million had been spent through what Mr Feetham now describes as unaccountable companies. Mr Caruana said at the time “the House is not aware of what it has been spent on”, and he went on to provide a general list. In the 2011 budget Mr Caruana announced capital expenditure of £95 million through I and DF and £63 million through Government owned companies.

4. Statement: The Government refuses to answer questions in Parliament as to how the money is being spent.

The Government have in fact answered in Parliament exactly how the money is being spent. This has included supplying the Opposition with a breakdown of the amounts in question and giving them additional information requested by them. For example, at the last meeting of the House questions 842, 843, 844 and 845 on Credit Finance were all answered. The only information that Government will not give is as to identify of borrowers, loans etc – exactly the information all lenders would consider to be confidential.

5. Statement: It is a return to the days when public finances were structured through an impenetrable web of companies.

This is wrong. The so-called web of companies have been in existence for many years most of them throughout the time that the GSD was in Government. The GSD added many companies to the structure that they call a “web” when they are in opposition but which they consider legitimate when they are in government. It is clear, as shown above, that the Government company structure continued to be used by Mr Feetham throughout his time in office. Indeed, the GSD actually added to the number of Government-owned companies by creating new ones and they channelled tens of millions of pounds through this system.

6. Statement: GSLP contradiction at last election, argued that public debt was too high under the GSD Government and finances in ruin yet made many electoral promises.

Public debt was too high at the time of the last election. It has now been reduced and it will be reduced further still. The new Government found a surprise £100 million black hole in public finances through the losses of Government-owned companies which were not shown in the estimates, not accounted for to Parliament and which Mr Feetham and the Government he served in had withheld from the public. The prudent management of the economy has allowed the position to be restored. The losses of Government-owned companies are now included in the estimates of revenue and expenditure and not hidden from view as happened under the GSD. That is good government!

7. Statement: Opposition discovered by chance that private companies were registered in Convent Place or at the Ministry of Employment.

The registration of these companies is a matter of public record with data held at Companies House and freely available to everyone. These companies were the business start-up incubator schemes that had been promised in the GSLP manifesto and they were only registered at Government addresses while pending being moved by their owners elsewhere. Some of them took longer than others to do this.

8. Statement: Blatant misleading of Parliament and the people.

There has been no misleading of anyone by the Government. It is the GSD that is repeatedly seeking to mislead. In contrast, it was the GSD who entered into arrangements before the last general election for a new power station. This included the proviso that the cost of electricity to consumers would go up by 100% over twenty years. They went to an election and said nothing to the electorate. The proposed hidden increase was only discovered by the new Government once it came into office. Before the 2007 election the GSD Government announced that over 700 flats were to be built at Mid Harbours and that this was to be the largest estate in Gibraltar. After the election it emerged that 200 flats has disappeared. The issues with OEM were concealed from the public during the 2007 general election campaign only for the then Government to announce that they were taking over the developments soon after the election was over. Mr Feetham should understand that if anyone has misled the people of Gibraltar time and again it was the GSD Government of which he formed a part.

9. Statement: Not since the closure of the border have relations with Spain been so bad.

This is untrue. Relations with Spain worsened whenever the Partido Popular is in power in Spain or whenever the Spanish Government wants to distract public opinion away from other problems at home. The reality is that history is repeating itself. All this has happened before when the Partido Popular was the Government of Spain and the GSD were in Government in Gibraltar. Indeed, the situation became so bad at one point that the GSD too opened a frontier complaints office and forwarded thousands of complaints from people waiting in border queues to the European Commission. This was also the time that Gibraltar was taken to the brink of joint-sovereignty.

10. Statement: GSD did not equate criticism of Cordoba with disloyalty to Gibraltar.

This is incredible. The GSD equated criticism of their policies with criticism of Gibraltar all the time, in relation to Cordoba and in relation to other matters. The then GSLP/Liberal Opposition had to keep on reminding them of this. It will be recalled that Mr Feetham and his party argued that there could be no cherry picking in relation to the different parts of Cordoba and that what had been agreed was all one package which could not be changed. They specifically said in their press release at the time that criticising their Cordoba agreement actually reflected badly on Gibraltar. Today the Partido Popular have themselves "cherry picked" and kept the Spanish pensions money, increased the tension at the frontier, objected to the inclusion of Gibraltar in EU civil aviation measures, and not kept their side of the bargain. This shows once again that the GSD misled the people of Gibraltar at the time as to the effect of their agreement with Spain.

11. Statement: Every Chief Minister has to be an effective interlocutor in relations with Spain and Mr Picardo is not.

Mr Picardo has shown that he is an effective interlocutor in relations with other Spanish political parties, including the main Spanish Opposition PSOE at a local and at a national level. The problem therefore is not Spain as such, the problem is the Partido Popular. It will be recalled that during his tenure in office Mr Caruana accused Spanish Foreign Minister Abel Matutes of telling "mendacious lies" and urged people at sea who were approached by the Guardia Civil to shoot a flare gun. At the time that the PP was in power Mr Caruana was not holding meetings with the PSOE National Executive. The other difference between now and then is that the GSLP/Liberal Opposition maintained a policy of putting Gibraltar first and to maintain as far as possible a united front with the Government on national issues. Mr Feetham, in contrast, continues to undermine the Government, even in Spain, by being critical of our policies outside our borders. It is clear

that he is putting himself and his narrow personal ambition before the broader interests of Gibraltar.

The Government could go on listing a huge number of inconsistencies and contradictions between what Mr Feetham is saying now and what the GSD used to do when they were in Government, a Government of which Mr Feetham was a part for four years. It is absolutely incredible that he should behave as if he should not know this. Everything that he is complaining about including the use of Government companies to finance Government projects is something that he did himself when in office. This must be extremely embarrassing for the former leadership of the GSD and for the party as a whole. It is not clear whether Mr Feetham was even aware that all this was happening while he was a Minister, in which case it must be extremely embarrassing for him.

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