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GSD DIVISIONS ON ECONOMY BLATANT

Her Majesty's Government of Gibraltar notes the unbelievable press statement from Mr Feetham's GSD trying to paper over the huge cracks on the economic argument between them and Sir Peter Caruana.

Sir Peter Caruana's position, as will be reflected in Hansard, is now demonstrably clear and transparent.

Sir Peter has confirmed the GSLP/Liberal view at the election that the debt limit for borrowing was being reached. Sir Peter said this:

"... I would have been willing whilst keeping within the economically prudent guidelines to have changes the law to increase the debt ceiling, the debt limit, which I acknowledge would have been necessary."

This is totally contrary to the assertion from Hon Damon Bossino MP, that the GSD had left behind a "treasure trove" and evidences further that the position of HM Treasury that there was only £2.5m usable cash reserve by the end of the GSD's last financial year in office.

Moreover, Sir Peter also said that the level of debt incurred by the current administration was appropriate. He stated, specifically:

"...let's be clear, I think that the levels of net public debt remain, even increased as they have been, well within the levels that are prudent in macroeconomic terms by any European standard. So, I am not saying any of this to criticise the level of public debt. THEY ARE THE LEVEL, OR PERHAPS LOWER FOR ALL I KNOW, THAN THEY WOULD HAVE BEEN HAD WE BEEN IN OFFICE."

These arguments are directly contrary to those advanced by Mr Feetham for the GSD since he became Leader of the Opposition and at this year's Budget Session of the Parliament.

The Chief Minister said: "I will be happy to remind Mr Feetham also at the Chamber Dinner on Thursday, of the reasons why recurrent expenditure is rising; most of which are GSD

related or related to expenses we have to incur but which are driven higher by market forces and to ask him what he would cut if he is so intent on cutting recurrent expenditure. Will it be scholarships for our students, sponsored patients' allowances or the generation of electricity that Mr Feetham would cut to keep recurrent expenditure down?"