



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

Gibraltar, Friday, 6th December 2013

The Gibraltar Parliament

The Parliament met at 11.10 a.m.

[MR SPEAKER: Hon. A J Canepa GMH OBE *in the Chair*]

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[CLERK TO THE PARLIAMENT: M L Farrell Esq RD *in attendance*]

Swearing-in Ceremony

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**Lieutenant-General Sir James Dutton KCB CBE
Sworn in as Governor and Commander-in-Chief of Gibraltar**

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Clerk: Mr Speaker.
Lieutenant-General Sir James Dutton.

Proclamation of Royal Commission

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Clerk: Elizabeth II, by the grace of God of the United Kingdom of Great Britain and Northern Ireland and of her other realms and territories, Queen, head of the Commonwealth, defender of the faith, to our trusty and well-beloved Lieutenant-General Sir James Benjamin Dutton, Knight Commander of our Most Honourable Order of the Bath, Commander of our Most Excellent Order of the British Empire, greeting.

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We do, by this our Commission, under our Sign manual and signet, appoint you, the said Lieutenant-General Sir James Benjamin Dutton to be our Governor and Commander in Chief in and over our territory of Gibraltar during our pleasure, with all the powers, rights, privileges and advantages to the said office belonging or appertaining. And we do direct that your appointment shall take effect from the time of your taking and subscribing oaths in accordance with the Constitution of Gibraltar.

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And we do hereby command all and singular our officers and loving subjects in our said territory and all others whom it may concern to take notice hereof and to give their ready obedience in accordance with the Constitution of Gibraltar and other laws in force in our said territory.

35 And we do hereby direct that this, our Commission shall determine upon signification to that effect being given by us through one of our Principal Secretaries of State given at our Court of St James's, this Twelfth day of November 2013 in the Sixty-second year of our reign. By Her Majesty's command.

The Chief Justice administered the Oaths as follows:

40 **Oath of Allegiance**

45 **Lieutenant-General Sir James Dutton:** I, James Benjamin Dutton, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to law. So help me God.

50 **Oath of Office**

Lieutenant-General Sir James Dutton: I, James Benjamin Dutton, do swear that I will well and truly serve Her Majesty Queen Elizabeth II, Her Heirs and Successors in the office of Governor and Commander in Chief of the City of Gibraltar. So help me God.

55 *A Royal Fanfare was sounded by Regiment Buglers.*

The Deputy Governor received the Keys of the Fortress from the Port Sergeant and handed them to His Excellency the Governor.

60 **Welcome by the Chief Minister**

65 **Clerk:** The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Your Excellency. It is my pleasure to be the first to address you in that fashion. On behalf of the people of Gibraltar and on behalf of Her Majesty's Government of Gibraltar, a warm Gibraltarian welcome to Gibraltar to you, and of course to Lady Dutton also. I have no doubt that in the time you will spend among us you will find yourselves made to feel very much at home.

70 Welcome also in particular to the heart of Gibraltar's democracy, to this newly refurbished Parliament Chamber. The continuing refurbishment of this Parliament is a metaphor for the way in which we are in the process of reforming, modernising and opening up our democracy to our people. And the reforming zeal of this Government spreads well beyond this Parliament. We have made and are making huge changes to the way that Gibraltar is governed in order to deliver modern good governance and setting a standard in good government. That is the way that it should be.

75 But the past two years since our election have not just been about delivering as a Cabinet on our election commitments. We have had to face new challenges that have required action and a carefully calibrated and measured approach from us in every respect, and the challenges have not all been from the traditional quarter.

80 Of course, we have a serious problem with our northern neighbour, which I will come to in a moment. But the matrix of challenges is much more multi-dimensional than just Spain.

We are facing the challenge from the UK Exchequer on the point of consumption tax, but I am pleased that we are finally now fully engaged with the UK Treasury in this respect. Indeed, I have been in direct correspondence with the Chancellor himself in the past weeks on the subject.

85 We are addressing potential solutions to the concerns of the online gaming industry here, which now employs as many people as the Ministry of Defence used to as recently as some 20 years ago. In fact, the online gaming industry in Gibraltar has grown in the past 20 years but has been facing challenges for a lot of that time.

90 Interestingly, I was reminded whilst researching other subjects which we will come to shortly, that in September 1999 there were press reports of a threat of direct rule from London over betting on the Rock, following the widespread publicity arising from the relocation to Gibraltar of a prominent UK gaming entity. Under the heading 'Tax haven is not as solid as the Rock,' an article in the *Daily Telegraph* said this:

95 'The era of gunboat diplomacy may be over but the Treasury is considering something equally audacious by late 20th Century standards to stop bookmakers disappearing to the tax haven of Gibraltar and denying the Government upwards of £40 million a year in betting revenue.'

100 It was then Chancellor Gordon Brown, who was allegedly exploring using reserve powers buried in the small print of legislation to impose a betting tax on Gibraltar. How apposite given the situation now. You see, that would have been in the first term of the then New Labour Government in the United Kingdom and in the first term Government of my predecessor the learned Sir Peter Caruana QC, as Chief Minister. History sometimes repeats itself in some ways; although happily now without the 'tax haven' epitaph or the threats in the British press of direct rule, something now rightly reserved for the colonial history books for good.

105 Separately, another challenge has come in the form of the international initiatives on transparency in matters related to taxation. We have been able to support the pioneering efforts of the Prime Minister, the Right Hon. David Cameron, to use his leadership of the G8 to deliver an end to international money laundering and tax evasion, because Gibraltar has led on these initiatives since 1994.

110 We have invested huge amounts of public money in the past two years, since our election, in order to ensure that Gibraltar has transposed into law all pending EU Directives, on all subjects – but in particular in financial services. This is a boast that not many EU nations can make, not even those much larger than us.

115 So when the time has come to seek extension of the OECD Multilateral Convention and support the Prime Minister in his G8 initiatives, it has been a small step for Gibraltar, and a giant leap for many other jurisdictions.

But let us all be clear, that whilst there is not a worldwide level playing field, the challenge of considering action plans for registers of beneficial ownership, whether central or not and whether public or not, is one that we have to address very carefully indeed.

120 And of course, there is also the matter of what we all thought was a European frontier and the country we all want to believe is our modern European neighbour. Undoubtedly the current attitude of the Spanish *Partido Popular* Government is highly challenging, for both Gibraltar and the United Kingdom. In this respect, it is essential that we understand what is happening and why it is happening.

125 The *Partido Popular* have repeatedly made their position on Gibraltar crystal clear. Indeed, let us go back initially to the period from 1996 to 2000 when Señor Abel Matutes was Foreign Minister of Spain and Mr Caruana – as he then was – was Chief Minister. Lengthy queues were then the order of the day, as they are now – although the particularly cruel pedestrian queue to exit Gibraltar is an unfortunate new phenomenon.

130 We were then referred to as a 'tax haven' by Spain. And all, Your Excellency, as a result of a fishing dispute that had rumbled on for three years and had led to the arrest of a vessel and even to the closure of the frontier by a picket of fishermen – incidentally, it does seem that having to deal with Spanish fishermen is becoming a rite of passage for modern Chief Ministers in their first term in Gibraltar.

135 When the frontier was not entirely closed by the fishermen, there were extensive searches of vehicles by the Spanish authorities. A Frontier Complaints Office was set up by the then Gibraltar Government together with a website – in those pioneering early days of the internet – with cameras trained on the frontier. It got 1.4 million hits, even then.

Queues were regularly two hours and frequently up to three hours. As a result, the European Commission received 7,000 letters of complaint from EU citizens. The local news daily *Panorama* reported, and I quote, that:

140 'a feature of the situation is that whereas in the past there were times when there was no queue, nowadays there seems to be a queue at all times – even though numbers of crossings are considerably down.'

145 A short queue of 50 cars or so could lead to a one hour delay. Your Excellency, I could be reading yesterday's newspaper, and not one from 15 years ago.

Señor Matutes actually accepted on occasion that the queues were political, and some local newspapers listed the excuses Spain was using for the queues then as – wait for it – 'Tobacco smuggling, money laundering, and the finance centre!' Groundhog day, Your Excellency.

150 The EU Commission considered taking legal action against Spain, but instead simply asked that checks at the frontier should be proportionate. At least today we know from yesterday's *Chronicle* that Spain has been told by the EU Commission that some of her checks are entirely unjustified – something that curiously did not make it into the EU Commission's press release on the subject.

155 The UK – then via the now deceased Foreign Secretary, Robin Cook – called the checks 'extraordinary and without precedent'. Chief Minister Caruana described them as a 'harassment' and 'un-European', rightly so.

When interviewed by Sir David Frost, the then Spanish Ambassador to the United Kingdom, was asked whether Spain was going to continue delaying people at the frontier. Señor Alberto Aza said that Spain was simply ‘applying EU rules at the border’.

160 The Spanish representative at the UN Fourth Committee, Señor Perez Griffó needed 24 hours before replying to what the *Panorama* newspaper called the ‘no punches pulled’ intervention by the then Chief Minister, Mr Caruana in October that year and returned the day after Mr Caruana’s intervention with a four-page reply which, significantly, referred to Mr Caruana by name and asked that the Fourth Committee should ‘... not be fooled by what the Chief Minister said,’ as he put it to the United Nations. Your Excellency, who says that history does not repeat itself?

165 Then Señor Matutes referred the court of international public opinion to 51 EU Directives which Gibraltar had failed to transpose into law, as an example of Gibraltar as a non-compliant jurisdiction – at least that is something he cannot do now.

170 Señor Matutes referred to us as ‘the dirty money colony’ and, amongst many other disgraceful defamations, talked about how the mafias used Gibraltar to launder their money. Chief Minister Caruana made clear that those were ‘mendacious lies’ and completely false.

On 8th December 1997, Mr Caruana issued an even more strongly worded statement in which he rightly said – and these were his words – that the Gibraltar Government deplored the spate of intemperate, threatening and provocative statements by Señor Matutes relating to Gibraltar, which he said ‘do not create a favourable environment for worthwhile dialogue’. So far, so familiar to today.

175 And in those days, of course, no-one from here ever countenanced going to Spain to blame the Gibraltar Government for the problems created by the arrest of a fishing vessel in our waters; because the genesis of the problem was clearly the *Partido Popular’s* attitude to Gibraltar.

When Señor Piqué took over in the year 2000, matters became even worse. With Señor Aznar as President of Spain, Mr Blair as Prime Minister and the relationship between Gibraltar and the UK not as close as it could have been, we saw the fishing crisis and queues of the 1990s lurch into the uncontrollable threat of Joint Sovereignty.

I am happy to report that there is today no question of a return to Joint Sovereignty proposals. There is no question of a return to bi-lateral discussions between the UK and Spain under the Brussels Process or otherwise in relation to Gibraltar's Sovereignty.

185 But you can see the similarities between the *Partido Popular’s* position of 1996 to 2003 and the identical campaign unleashed on us from their election as Spain’s Government in 2011.

Indeed, even with the Socialists in power in Madrid, we have on occasion had to suffer very bad queues. Indeed, in 2010 when the *Partido Popular* was in power in La Linea, and their idea of charging Gibraltar residents a toll to enter Gibraltar took flight, that created huge tail-backs in Gibraltar which gridlocked our city.

190 All that was before a GSLP/Liberal administration led by Fabian Picardo. Because the common denominator of the problems we have today is the *Partido Popular’s* approach to Gibraltar.

Let us therefore not allow ourselves to believe otherwise. Let us not allow fanciful notions to obscure the *realpolitik* of what is happening. We in Gibraltar must be vigilant not to allow the *Partido Popular* to divide us on these issues; or persuade us to consider a staunch defence of our nation as somehow ‘provocative’ or ‘incendiary’ as some *Partido Popular* politicians have described our actions to some astonishing but minor local echo.

200 Of course, we all hanker for the relative peace of the period under Señor Moratinos and the PSOE in Spain. And this Government is ready for dialogue to deliver understanding in place of confrontation. The United Kingdom has repeatedly made clear that it is ready for dialogue, whether that is under the Trilateral Forum or even under the *ad hoc* formula. But Spain has not yet responded to the UK and Gibraltar’s most recent communications on these proposals.

205 Remember that Foreign Secretary Hague proposed the more flexible, but entirely safe *ad hoc* talks in April 2012, last year and with our full support. Because, we believe, Your Excellency, that dialogue is possible – and with imagination and goodwill on all sides, even the boldest red lines can be maintained and dialogue produce fruitful results. And that is what Gibraltar wants to try to achieve. Like the United Kingdom, we do not wish to see any escalation of the dispute with Spain, but we sometimes will need to defend Gibraltar when we are vilified or we would be failing in our duty to our people.

210 This was echoed by the Minister for Europe in answer to a question this week in Westminster which called on him to use his influence to temper the language of the dispute with Spain, who he described as ‘a great ally’ of the UK.

The Rt Hon. David Lidington told the Commons that he would be ‘only too pleased if we could lower the temperature.’ But he added this:

215 ‘It is not just a matter of lowering the temperature in verbal exchanges, but of expecting our NATO allies in Spain to desist from the unlawful incursions into British Gibraltar waters that have been all too common.’

220 Our position, Your Excellency, is exactly that of the Minister and of the United Kingdom Government, with whom we remain in lockstep on this issue and with whom I had an excellent and fruitful meeting on Tuesday.

Because resolving issues through talks we will always support – if there were a will to talk on the part of Spain in the fora proposed – because the civilised future in our view is based on one overriding principle: dialogue, dialogue, dialogue.

225 Nelson Mandela, whom the world mourns today, was a shining example of the power of dialogue over revenge. After the end of this happy celebratory occasion in this Parliament, the Gibraltar Government will fly all flags from Government buildings at half-mast as a sign of respect for the loss of Mr Mandela to the world.

Even the United States and other powers are talking to the Islamic Republic of Iran after almost 35 years of diplomatic estrangement. Yet the *Partido Popular* of Spain will not talk to Gibraltar.

230 Your Excellency, in the interest of all the people in this region, we must be able to break the impasse with common sense, good faith and mutual understanding.

It is in that context that Gibraltar needs our strong political leadership today and it is into that background that you arrive on the Rock.

235 At the best of times the role of a Constitutional Governor is never going to be an easy one. But with our own good will and with open channels of communication, we shall no doubt be able to work together to foster an even closer relationship between Gibraltar and the United Kingdom that will continue to be of enduring and mutual benefit.

Moreover, as the representative of Her Majesty, you will soon be able to appreciate the loyalty of Gibraltar to our Queen and to the Crown.

240 And so you will appreciate the symbolism and significance of the Keys to our city which are entrusted to you for the period of your stay. They represent our British past and they are also the keys to our future and whilst they are in British hands this fortress will be secure and all will undoubtedly be well.

245 I am sure that you will also find that however rocky our geography, we are a warm and hospitable people, who will make it easy for you to consider Gibraltar your home, deserving of your lifelong commitment by the time you leave us.

I therefore have no doubt that, in common with your predecessors, you and Lady Dutton will find that your time here will be among the best years of your lives. (*Banging on desks*)

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Welcome by the Leader of the Opposition

Clerk: The Hon. the Leader of the Opposition.

255 **Leader of the Opposition (Hon. D A Feetham):** Your Excellency, Mr Speaker, Chief Justice and other distinguished guests, it gives me great pleasure on behalf of Her Majesty's Opposition to formally welcome Sir James and Lady Dutton to Gibraltar.

260 You come to Gibraltar at a critical time in our history. Not since the closure of the border in 1969 have relations between this community and Spain been at a lower point than they are today; never have Spanish measures against Gibraltar been as severe as they are today.

265 I am sure everyone in this House will agree that it is completely wrong, and immoral too, for the Spanish Government to have targeted an entire community as it has done with Gibraltar – whatever the sleight it perceives to have received from Gibraltar or its Government. Spain's reaction, particularly since the blocks were laid in British Gibraltar Territorial Waters, has been disproportionate, immoral and in relation to border queues, illegal too, I have absolutely no doubt about that, whatever the European Commission may say. As an Opposition, we have condemned those measures taken against Gibraltar and I take this opportunity to condemn them again here today.

270 But in a democracy not everyone will agree with the approach of the Government of the day or indeed, of the Opposition. I recall when the Father of the House, the then Leader of the Opposition, Mr Bossano, criticised the Cordoba Agreements in very strong terms, in a similar occasion in this House when we were welcoming Sir Adrian and Lady Johns to these shores, no one sought to equate his criticisms of Government policy with criticisms of, or disloyalty to Gibraltar. They are clearly not the same thing. And hence it is important that Your Excellency understands and for me to tell you directly and openly in the heart of our democracy as the Chief Minister has described this Parliament, that whilst everyone desires to protect fundamental red lines in relation to sovereignty, jurisdiction and control over our airspace, our land, and our waters, that there is a GSD way of doing things that can be traced back *many, many* years and that we continue to uphold.

275 Of course, we have a legal right to do what we want in British Gibraltar Territorial Waters, but for every action, there might be a reaction, however unjustified. And the consequences have to be factored

280 into those decisions in a calm, measured and intelligent way. In a democratic Europe everyone has the right to compare any nation, let alone Spain, to North Korea or to go to the United Nations and accuse the Spanish State of State sponsored vandalism towards Gibraltar, or to have someone as part of your delegation that compares Spain's actions towards Gibraltar to that of terrorism. I suppose everyone has the right to do that, in a democracy, and much more, but is it advisable?

285 There is a difference in our view between what the Chief Minister has described as not pulling your punches and making statements that may be injudicious, ill-advised, infelicitous statements that may inflame an already inflammable situation.

Are we on this side of the House bad Gibraltarians or unpatriotic because we advocate a different approach, GSD way of doing things? Of course not.

290 Benjamin Franklin, one of the founding fathers of the United States, once said this:

'If everyone is thinking alike, then no one is really thinking.'

295 For our part, we will continue to think about these issues very, very carefully indeed and we intend to continue to express our views in a calm and mature way. It is in that spirit that I can certainly say that we are glad that 18 months on, 18 months after the Government did away with the 1999 agreement, that it has now decided to legislate in order to allow fishing with EU compliant nets. We still do not know whether Spanish Fishermen will have to apply for a licence in Gibraltar. Either way, save for asking what has it all been for and what we have achieved in those 18 months, we will certainly be supportive of any measures introduced by the Government – with or without Spanish fishermen having to apply for a licence in Gibraltar, because we need to be putting all this behind us.

300 Gibraltar is stronger when we pick and choose our battles carefully by reference to obvious red lines that we are all – the Chief Minister and myself – determined to maintain. That is why our policy has always been to fight the necessary battles, and important battles, whilst being prepared to engage in safe and reasonable dialogue with Spain, always striving to defend our vital interests whilst also striving for normality in our relations with Spain.

305 For the specific purpose of trying to resolve the current situation, and no other, I have said that the Opposition would support dialogue outside the Tripartite process, as long as the essential architecture of that process was maintained, namely; an open agenda, a separate voice, vote and veto for Gibraltar. That would ensure that Gibraltar was protected in any talks, and that those talks are safe for this community. The importance of trying to resolve the current situation, overrode the importance of what additional parties there may be on the Spanish side, provided the essential architecture of the Tripartite talks was maintained in those *ad hoc* talks.

315 In the medium to long term, however, only the Tripartite process offers an opportunity of a permanent structure to resolve any problems or issues that may affect our relations with Spain.

Finally, Your Excellency, one factor emanating from recent events, that is most welcome, is the unstinting support we have received from the United Kingdom and its Prime Minister, David Cameron. Without that support Gibraltar would have faced much more severe difficulties and on behalf of the Opposition, we would like to thank the Prime Minister for his unstinting support for this community.

320 It proves beyond doubt, if proof were necessary, that it is in our interest to maintain our close constitutional links with the United Kingdom, constitutional links that are guaranteed by our new Constitution which guarantees for Gibraltar a maximum level of self-government short of independence and compatible with continued British sovereignty.

325 As Her Majesty's representative in Gibraltar, once again we wish you and Lady Dutton a very warm welcome indeed from Her Majesty's Loyal Opposition. (*Applause and banging on desks*)

Address by His Excellency the Governor

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Clerk: His Excellency the Governor. (*Applause and banging on desks*)

335 **The Governor (Lieutenant General Sir James Dutton):** Mr Speaker, Chief Justice, Chief Minister, Leader of the Opposition, Ladies and Gentlemen. When he stood here almost exactly seven years ago, Sir Robert Fulton commented in his inaugural address that he was the first Royal Marines Governor in the long history of Gibraltar: remarkable in many ways, given the very close bonds and linkages between us.

Now, only a very short time later, you have another Royal Marines Governor. It is sometimes said you can have too much of a good thing – (*Laughter*) I hope that is not true in this case.

340 And may I thank both the Chief Minister and the Leader of the Opposition for the welcome for myself and Liz. Like many Royal Marines I have visited – or, in fact to be strictly accurate, I have passed through Gibraltar – on a number of occasions in the 37 years I spent in uniform, but I never really stayed

long enough to get to know the City. As the first port of call for almost every ship that was leaving or returning to the United Kingdom there was something of a standard routine: the ship would dock in the early afternoon; there would be some sort of quite smart cocktail party on the flight deck in the summer, in the hangar in the winter, around dusk; and then the evening – and I have to say for some, much of the night – would be spent enjoying the hospitality of this town, and that sometimes even involved the consumption of beer! (*Laughter*)

The following morning the price for that was of course paid in the Rock run. Then, around lunchtime the ship would sail. So, although we were all, on these visits, peripherally aware of the enormous and strategic importance of Gibraltar, most remembered it more for its welcoming hospitality.

Now, of course, over the years, and especially since being selected for this appointment, I have deepened that knowledge considerably – but I still have a way to go, and I know you will all help me out with that.

It is an extraordinary privilege for anyone, but especially for a Royal Marine, to be appointed as Governor and Commander-in-Chief. Our existences have more or less coincided over time and many events have been shared. And the timing of this moment could not be better: next year is the 350th anniversary of the formation in 1664 of the Admiral’s Regiment, the organisation that later became the Royal Marines; and of course, the 310th anniversary of the capture of Gibraltar by British and Dutch marines in 1704.

Gibraltar is the only battle honour that we wear on our colours and crest – it is on the cap badge of every marine. It was one of my companies when I was commanding 40 Commando in 1996 that represented the Corps when you granted us the Freedom of the City of Gibraltar – eight years before you granted it to the Royal Navy, and I always enjoy reminding my dark blue naval colleagues of that! (*Laughter*) That very special and enduring relationship is hugely important to the Royal Marines and, I think, also to Gibraltar and her people.

Now, as you have both said, I arrive here at a difficult time, when the number, the scale and the character of the incursions into British Gibraltar Territorial Waters is significantly up and when the delays to cross the border are unacceptably long – indeed, amounting to harassment – a situation made worse by the illogicality and random nature of their imposition. These are situations that simply should not exist between two friendly nations that belong to the same political and economic organisation, the EU, and to the same military organisation, NATO.

But, of course Gibraltar has experienced these things before – indeed much worse, I think, at various times in our history – several sieges and of course with the distinction of being the only remaining territory on the continent of Europe that remained in Allied hands in World War II. So we all know that these things only serve to strengthen the resolve and determination of both the people and the Governments.

And I say ‘Governments’ plural because, as you have confirmed, in my reading of the history, I do not think there has ever been a period when the support of the British Government has been stronger or so openly expressed.

It is now repeated so often that at first I did wonder if it was really necessary for me to again repeat the assurances on sovereignty, but I think as the new Governor, I should do so. The Constitution is very clear. Her Majesty’s Government will never enter into arrangements under which the people of Gibraltar would pass under the sovereignty of another state against their freely and democratically expressed wishes. And furthermore, Britain has also declared, and publicly and repeatedly, that it would never even enter a process of negotiation with Spain about the sovereignty of the Rock without Gibraltar’s permission. So, whatever may have happened in the past, and even in the quite recent past, there can be no doubt or fear by any of us that that commitment would, or could, be breached.

So the sovereignty case is rock solid: it is indisputable, it is non-negotiable, and it applies just as strongly to the Territorial Waters.

We occupy the moral high ground on this issue and also on the issue of decolonisation; whatever arguments may continue to occur over the fine detail of the decolonisation case within the context of the United Nations, no reasonable person could claim that Gibraltar is a colony of the UK.

I have often found it in many situations that it helps to apply the ‘common sense test’ – step back from the legal and administrative minutia and apply common sense. Nobody applying that test could say that the UK has not taken full account of the wishes of the people of Gibraltar – self-determination certainly rules here. So, despite all the irritations and inconveniences, we are 100% sure of the rightness of our position, and Britain and Gibraltar are in lockstep on this.

And equally good news is of course, the strength of the economic situation here, in a business friendly environment, with, as we have heard and better described by the Chief Minister, with all the advantages of the EU membership and full compliance.

I mentioned earlier my various short visits, but I did in fact spend a longer period here in the early 1990s on a joint force command post exercise, and again in 2004 as the Commandant-General of the Royal Marines at the 300th Anniversary events. This city has made remarkable strides, certainly very

405 noticeable since my first longer visit in the early 1990s. Of course, we can never be complacent; none of
the pillars of this economy – or indeed any economy – are immune to reverses, and of course the potential
effects of reverses are magnified in a small economy. But I know there are clever, well qualified and
experienced people who are managing this, and looking for further diversification opportunities and
looking to the medium and long term to ensure that the current, very favourable economic situation is
indeed sustainable.

410 Now I referred earlier to the relationship between two European countries. In fact there were three
entities in this relationship, though. And it is self-evident, but nonetheless important to reiterate, and you
have both done it, that there is no value for anyone – least of all Gibraltar – in a poor relationship between
Britain and Spain or between Gibraltar and Spain. Good neighbourly relations between the three of us are
truly a ‘win-win’ – indeed a ‘win-win-win’ situation.

415 Against the background that I have described, of the very rock solid relationship with Britain, and the
shared belief in the certainty of our case, we can, indeed we must, talk to Spain about the many local
issues that are reducing the quality of life, not only for Gibraltarians, but even more so in some ways, for
the Spaniards who live just across the border. Talking is crucial, and I hope that the *ad hoc* talks can start
soon, not least as a demonstration of goodwill and a shared desire to progress. Of course, you have both
420 emphasised, we are absolutely ready to talk – but there has to be somebody to talk to.

Most of my working life, 37 years, was spent in uniform, and most of the last 10 of that period was
involved with operations in Iraq and Afghanistan. So as well as that very valuable experience, I have
spent the last three and a half years working in a completely different area for the US construction and
engineering firm, Bechtel. And for the last two and a half years, I have been heading up their project in
425 Gabon in West Africa, where we established an agency to co-ordinate much-needed infrastructure
development. Now obviously Gibraltar is nothing like Gabon, but I do believe that the commercial
experience that I gained there can assist me in better understanding how Gibraltar operates.

Liz and I are looking forward to getting to know all Gibraltarians and to be further educated on every
aspect of life here; even if things do not concern me in my constitutional position, they most certainly
430 interest me, and I will be keen to hear all about them.

I have met over the past ten weeks and conversed at length with six former Governors – Chapple,
Luce, Durie, Richards, Fulton, and of course my immediate predecessor – all different characters, from
different backgrounds, but with one thing at least in common. They all fell in love with Gibraltar and her
people and all still have many local connections. And I just know it is going to be the same for Liz and I,
435 and we both hugely look forward to it.

And now I am delighted to be able to conclude with a message from Her Majesty the Queen, who has
asked me to convey her support for the people of Gibraltar and her continuing best wishes.

Thank you. *(Applause and banging on desks)*

440 *At 12.00 p.m., His Excellency was escorted outside Parliament where the Port Sergeant handed him the
Keys of the Fortress. This was followed by a Royal Salute and Inspection of the Guard of Honour formed
up on the Piazza.*