

Consequently if a person crosses a frontier, whether within the EU or elsewhere,

where different rates of taxation apply then there are going to be controls on the border. If there can be no free movement of goods because of tax differentials then the border will be policed. It may be inconvenient and the Gibraltarians might not like it but it is a consequence and legacy of what Gibraltar signed up to when it joined the EEC. Naturally at that time Spain was not a member so today's problems were not envisaged. I am afraid that on this issue the Gibraltarians will not be able to have their cake and eat it.

FUTURE

I am an optimist by nature and I stand by what I said during my National Day speech. Progress can be made to resolve the Gibraltar problem. Because the Foreign Office is not as positive as I would like, then the diplomats have to be told by politicians this is not good enough. Resolving the Gibraltar problem is now urgent. The Gibraltarians need a new lease of life. Whilst the Gibraltar economy is not dying, and in many ways it has been rejuvenated, a settlement would benefit everyone on both sides of the border.

The decrease in the numbers of Gibraltarians living on the Rock is worrying. But we are in a world with rapid movement of people. The quickest way to rectify this problem is to reach a settlement. I am not surprised that the population figures have fallen during the last 20 years. It is worrying that there is one non Gibraltarian for every two Gibraltarians residing on the Rock. This makes a political solution more urgent. Who knows perhaps in fifty years the ration will have fallen to 50:50?

A booming economy would attract Gibraltarians back to the Rock. The economic potential is excellent but the sooner the problem is resolved the better. I am an impatient politician not an impatient man and I regard the resolution of the problem as a personal priority. I would like it to happen before the end of this Parliament."