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MEMORANDUM
FOR THE RECORD

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House of Commons

Friday 6 November 1992

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER in the Chair]

BCCI (Bingham Report)

Motion made, and Question proposed, That this House do now adjourn.—[Mr. Patnick.]

[Relevant documents: The Second Report from the Treasury and Civil Service Committee (House of Commons Paper No. 26 of Session 1991-92) and the Fourth Report from the Committee (House of Commons Paper No. 177 of Session 1991-92) on Banking Supervision and BCCI, together with the responses of the Government and the Bank of England thereto (Third Special Report, House of Commons Paper No. 302 of Session 1991-92; First Special Report, House of Commons Paper No. 178 of Session 1992-93; Second Special Report, House of Commons Paper No. 248 of Session 1992-93) and the Minutes of Evidence taken before the Committee on 4th November (House of Commons Paper No. 250-i.)]

9.34 am

The Economic Secretary to the Treasury (Mr. Anthony Nelson): This debate fulfils the pledge made by my right hon. Friend the Chancellor of the Exchequer that there would be an early opportunity for the Bingham report to be debated in the House and for hon. Members to have the chance to express their views.

In introducing the debate, I intend to summarise the main themes of the report and to set out the proposals of the Government and the Bank of England in response to the main recommendations. I shall put those changes in the context of what is happening in Europe and internationally on banking supervision, and respond to the reports of the Treasury and Civil Service Select Committee. I also intend to highlight the important issue of compensation, which is of concern to many hon. Members and their constituents.

Sir Thomas Bingham's report on the supervision of the Bank of Credit and Commerce International was published on 22 October. It represents the conclusion of an inquiry into the largest and most wide-ranging fraud in the history of banking. Billions of dollars were involved in a series of financial crimes, deceptions and malpractices that extended over many years and touched the lives of tens of thousands of depositors in more than 60 countries. Those frauds, and the calculating and cynical men who devised and directed them, were responsible for bringing hardship into the lives of many innocent and hard-working people who trusted BCCI with their savings. I know that many hon. Members have constituents who have suffered in that way, and I am sure that we all condemn the individuals whose greed and callousness has led to such widespread distress.

The report is the outcome of an inquiry into the supervision of BCCI, not the bank itself. The inquiry lasted for just over a year and involved taking written and oral evidence from more than 200 witnesses. Among those

witnesses were current and former Ministers, hon. Members, officials of Government Departments, including the Treasury, and representatives from the Bank of England and BCCI's auditors, Price Waterhouse. BCCI's majority shareholders from Abu Dhabi also gave evidence, as did former employees and directors of the bank; banking regulators from the United States, Luxembourg, the United Arab Emirates and elsewhere; and many others, all of whom had dealings with BCCI in one way or another.

The inquiry was thorough and painstaking; and the report is both comprehensive and clear. It makes some significant criticisms of the Bank of England's supervision of BCCI and draws attention to important lessons that the Bank and the Government are determined to learn.

I am sure that all hon. Gentlemen will join me in paying tribute to Sir Thomas Bingham for the thorough way in which he has produced an extremely readable report. We owe him a debt of gratitude for the assiduous and comprehensive inquiry that he conducted.

The narrative of events that makes up a large part of Sir Thomas Bingham's report has two main themes. The first is of a bank that was structured in such a way as to maximise its potential for concealing information from both its auditors and the supervisory boards around the world that sought to regulate its activities. The bank's guiding principle was divide and deceive. It almost seemed to be in search of a home.

Throughout much of the report, which hon. Members will have read, it is clear that the bank had a constant quest for a proper supervisory structure. However, the quest was impeded by a determination to procrastinate and obscure the command structure within the bank. The BCCI group was structured into a myriad of companies built around two major banking subsidiaries, one of which, BCCI SA, was incorporated in Luxembourg and the other, BCCI Overseas, in the Cayman Islands.

Mr. David Shaw (Dover): My hon. Friend is aware that I have introduced the Transactions with Tax Havens (Sanctions) Bill. The purpose of the Bill is to concentrate not so much on the tax issues of tax havens, as on the fraud issues of the havens, which might better be called "fraud havens". Will my hon. Friend please touch on the issue of how we might take more and better regulatory action against such fraud havens?

Mr. Nelson: I will try to do so during my remarks. I take very seriously any recommendations and legislative proposals that my hon. Friend introduces. Much of the theme of European and international debate in Basle and in some of the Community directives have very much in mind the transparency and corridors of communication that underlie my hon. Friend's proposals.

Mr. Keith Vaz (Leicester, East): Does the Minister recall his remarks to the House when the inquiry was announced by the Chancellor of the Exchequer. The Minister said:

"Many of us are confident that it will show beyond any question of doubt that the Government and the Bank of England acted only in a timely and proper fashion."—[*Official Report*, 19 July 1991; Vol. 195, c. 724.]

I accept that the Minister was a Back Bencher at that stage. Will he now accept that his statement was wrong?

Mr. Nelson: I will not. The one thing that is evident is that Treasury Ministers and other Ministers get a clean bill of health—a glorious phrase—in that regard. I do not retract my remarks.

It is true that the report makes some serious criticisms of the Bank of England in terms of time limits; I acknowledge that. However, the report stops well short of suggesting that things would necessarily have been different if the Bank of England had acted differently, and it does not make any accusations of negligence, for example. Nevertheless, there are serious criticisms, as my right hon. Friend the Chancellor and I have acknowledged on separate occasions.

In practice, BCCI did little business either in Luxembourg or in the Cayman Islands. It spread forth its tentacles into more than 60 countries. BCCI SA operated 47 branches in 13 countries, including the United Kingdom. BCCI Overseas had 63 branches in 28 countries, and subsidiaries and affiliates of the holding company operated 255 banking offices in 28 countries. The deliberate confusion that flowed from the structural complexity enabled BCCI to grow rapidly in the 1970s and the 1980s, when modern techniques and systems of banking supervision were only beginning to come into force, and in parts of the world where, to quote the report, "impenetrable secrecy" was a prominent feature of banking regulation.

It was only in the final years of BCCI's existence, when Price Waterhouse took over responsibility for auditing the bank worldwide and when regulators began to come together in a college of supervisors, that the full enormity of the fraud being practised started to come to light.

The other striking theme of the report is the sheer scale of the fraud. Many hon. Members may have felt, as I did on reading the report, that the deeply offensive point about it was that the scale and quantity of fraud dwarfed the earnings and savings of ordinary people. The fraud was wholly out of proportion to the lives, efforts and prudence of ordinary people. To that extent, the report, and the crimes and frauds revealed by it and by the collapse of the bank are shocking and arresting. The sums being siphoned off and misappropriated were enormous.

When my right hon. Friend the Chancellor made his statement to the House, he thanked Sir Thomas Bingham for producing a masterly account of such a complex subject and for being so constructive in his recommendations for the future. I repeat today that the Government accept all the recommendations and have already begun to implement them.

Mr. A. J. Beith (Berwick-upon-Tweed): A few moments ago, the Minister implied that, if the Bank had not made mistakes, it is unlikely that the outcome would have been different. I ask the Minister to note paragraph 2.484 in the report, in which Sir Thomas says:

"How different the course of events would have been had these deficiencies not existed, one can only speculate." The Minister must recognise that, if action had been taken earlier, the many individuals involved at least would not have lost money.

Mr. Nelson: Yes. I have tried to make it clear, and I will do so again, that I have understood Sir Thomas Bingham to say that he could not speculate on what the outcome would have been if the Bank had acted differently.

The right hon. Member for Berwick-upon-Tweed (Mr. Beith) spoke of action being taken sooner. There has been

a great deal of discussion about the exact timing, about when the whistle should have been blown and about when the bank should have been closed down. There has been discussion about when that point should have been—whether a month sooner, six months sooner or a few months later, which some people suggested at the time to protect depositors. It was suggested that the bank was closed down too soon and that another solution, such as the injection of further capital, could have been found. Whenever closure takes place, people lose.

When the bank was closed, the books amounted to \$16 billion. Previously, the gross assets had been up to \$23.5 billion. I know that that cannot be construed as an argument for not acting sooner. If something is a rotten apple to the core, one must take action whenever it is justified and when the evidence is clear. However, to suggest that fewer people would have lost raises a difficult question. It is arguable that many more people might have lost, because the deposit base would have been even larger.

Mr. Terence L. Higgins (Worthing): I understand what my hon. Friend is saying. It is a question of how far back one takes the matter. Everyone now accepts that there should have been a single lead regulator. Instead, a special arrangement was set up for BCCI. Had such an arrangement been refused at that point, the scale of losses would be far smaller.

Mr. Nelson: My right hon. Friend makes an important point, which is covered in a complete analysis by Sir Thomas Bingham. Hindsight is a great thing, whereas foresight is far more difficult. There were cases in 1979, in 1985 and in the latter part of the 1980s, which are considered carefully by the Bingham report, when a different decision and a different approach could have been taken by the Bank of England, not only on the question of the revocation of authorisation, but on the question of the appropriate form of supervisory structure.

We must make it clear that we were dealing with, if not a unique, a complex and devious bank structure. The bank's deliberate intention was to play one regulatory system off against another to try to fall between all posts and to set itself up in the least regulated condition. It was difficult for any one authority to take on complete and consolidated supervision, which is why the college of regulators was established. However, my right hon. Friend the Member for Worthing (Mr. Higgins) makes a good point.

Mr. Calum Macdonald (Western Isles): The Minister's answer explains exactly why the Bank of England should have stepped in earlier to regulate more effectively. The structure of BCCI hid the fraud from the outset. In paragraph 2.484, Sir Thomas Bingham says that the problem of fraud did not occur only in the last 15 months, but had its roots deep in the past. He says that the fraud hidden by the structure

"might have been in part prevented, or brought to a head much earlier, had strong and resolute action been taken to insist on structural change as a condition of continued authorisation and to impose on the group the supervisory regime it was known to require."

It was known not with hindsight, but at the time. Sir Thomas concludes:

"The Bank did not pursue the truth of BCCI with the rigour that BCCI's market reputation justified"—at the time.

Mr. Nelson: To be fair to the Bank, it insisted on a number of changes, not only in the structure, but in the management of BCCI. The hon. Gentleman referred to the various points at which BCCI'S reputation might have been brought into question. It is important for all of us to recognise that the prime responsibility of the Bank of England under successive legislation has been to protect depositors. Bearing that responsibility uppermost in mind leads not necessarily to pre-emptive foreclosure but to an attempt to find ways to protect deposits. In 1979 the bank was profitable, the Luxembourg Banking Commission was not complaining and the auditors were not qualifying the reports.

In 1985 an alternative structure of incorporation in the United Kingdom under SA was decided upon. It was also decided that treasury operations would be moved to Abu Dhabi—a structural change insisted upon by the Bank of England. Efforts in the later part of the 1980s were to protect depositors. The improved standing of the principal shareholder, the injection of further resources and management changes were carried out deliberately to try to safeguard the interests of depositors. With the benefit of hindsight, it is easy to make a different judgment about what should have happened, and with the benefit of hindsight that may well be right. But at the time, the main interest was the protection of depositors, and on the information available to the Bank of England at the time, its decisions can be defended.

Mr. Macdonald: The Minister mentioned 1979. Bingham says that, in 1979, the bank was structured in such a way that effective regulation was impossible. Paragraph 2.30 of the report says:

"if a group was so structured that the Bank was unable to ascertain how the business was done, and so to satisfy itself that the business was conducted prudently, then the Bank was not only entitled but obliged to refuse a licence", to take deposits. The Minister says that it is a matter of judgment as to whether the bank should have acted differently but Bingham's judgment is that the bank should have acted differently by refusing to issue a licence.

Mr. Nelson: Bingham speaks for himself on the matter but also says in paragraph 2.21 that no concrete evidence of malpractice had been established in 1979. The Banking Act 1979, which was Labour legislation, introduced two tiers of full banking authorisation and deposit licensed status. The key part of that legislation was section 3(5) which effectively allowed foreign authorisation of a bank as a satisfactory means of "grandfathering" into the new regime an authorised bank.

The fact that BCCI was not given full banking status at that time reflected the Bank of England's concern about it. The bank became a licensed deposit taker. The report's criticisms of the bank's actions at that time acknowledge that there were arguments on both sides, and paragraph 2.21 sets out grounds for the Bank of England believing that its action at that time was proper. *[Interruption.]* I should like to make some progress, because there are important issues to be addressed and many hon. Members want to take part in the debate.

The bank has responded to one of the important recommendations by establishing a special investigations unit under Mr. Ian Watt. It will have specific responsibility for pursuing evidence of malpractice or illegality which the Bank receives, and for seeing that the issues which may be raised are followed up. As part of this process, the Bank is

also strengthening its existing capacity for on-site examination of banks. Before taking up this appointment, Mr. Watt was a partner at KPMG Peat Marwick. He has considerable experience of liquidation and has acted as a DTI inspector on a number of occasions, most notably into the Guinness inquiry. He acted as the accountancy assessor to the Bingham inquiry. In his new role, he will have direct access to the governors and will attend meetings of the Board of Banking Supervision.

Similar access and status will be accorded to Mr. Peter Peddie, a former partner in Freshfields, who has been appointed to head a new, specialised legal unit within the Bank. His role will be to ensure that, in carrying out its supervisory tasks, the Bank takes full account of the powers available to it under the law—an area where Sir Thomas Bingham felt that the Bank may have been too cautious in the past. The Bank will itself be taking steps to implement his recommendation that more use should be made of the Board of Banking Supervision—a body created by the 1987 Act largely to provide a vehicle for outside experts to advise the Bank on how it carries out its supervisory duties. The Bank is reviewing its guidance on involving the Board and in future its views will be sought at an earlier stage in problem cases. Outside members will be encouraged to have more contact with Bank officials at working level to discuss issues that cause them concern. They will continue to have free access to staff and papers.

On the Bank's approach to supervision, Sir Thomas concluded that, while its traditional techniques, had, on the whole, served the community well, a different approach was needed in cases such as BCCI where trust and frankness were lacking. With such institutions, the Bank's staff need to develop a higher degree of alertness to signs of fraud and they need to be more inquisitive. The Bank has begun to extend and improve the training that it provides to supervisors in order to achieve these objectives.

Sir Thomas regards

"the most important single lesson" of the BCCI affair as being that

"banking group structures which deny supervisors a clear view of how business is conducted should be outlawed."

While not persuaded that the bank currently lacks the powers needed to deal with such cases, if there is felt to be any doubt on the point, he would support explicit provisions being introduced. The Government accept this conclusion and will introduce legislation, as soon as the parliamentary timetable allows, to put the bank's powers beyond doubt. In particular, the legislation will need to deal with banking groups whose structure has changed significantly after authorisation or who have developed an active presence in secretive or poorly supervised jurisdictions.

On the European level, Sir Thomas finds nothing in the history of BCCI that requires substantial revision to the emerging Community regime for supervision. But he proposes that two recitals to EC directives—one discouraging supervisory "forum shopping" and the other requiring banks' place of incorporation and head office to be in the same member state—should become express requirements of Community law. He also proposes that all member states should confer powers on their regulators to refuse or withdraw authorisation where a bank cannot be effectively supervised, and he supports the proposed Community deposit guarantee directive being adopted as soon as possible.

[Mr. Nelson]

As my right hon. Friend made clear at the time of publication, we shall be pursuing all of these points with the Commission and our European partners. Sir Leon Brittan has already issued a statement responding to the Bingham report and acknowledging the force of these recommendations. His officials have been asked to report quickly on all the Bingham points that bear on Community legislation so that Sir Leon can make a more detailed statement at the ECOFIN Council on 23 November. My right hon. Friend the Chancellor will be in the Chair on that occasion and will use the opportunity to seek to take matters forward.

The Government have already made clear the importance that we attach to making progress with the deposit guarantee directive. Our officials are seeking to finalise the draft currently before the Council working group and we continue to hope for political agreement to a final text before the end of this year.

On the wider international front, the Government agree with all that Sir Thomas says about the need to press for further improvements in banking supervision and to facilitate better communications between supervisors. The new standards promulgated by the Basle committee—the key requirement of which is that all banks which branch abroad must have a home supervisor ready and able to conduct effective consolidated supervision—represent an important advance in international action to deal with countries offering impenetrable secrecy. The Government and the bank also support his call for independent monitoring of supervisory standards and will be proposing the establishment of peer group reviews, to both the G10 supervisors' committee and the EC banking advisory committee, as the best way of taking this forward.

The Government accept that the effective supervision of international groups requires clear and legally robust channels of communication between supervisors and other authorities and agencies engaged in combating financial crime and fraud. We shall be focussing our further action on four main areas.

First, we shall urge within the European Community that the provisions on information flow in the second banking co-ordination directive, and in other financial services directives, should be looked at again to ensure that the necessary channels of communication are being kept open. Next we shall raise the issue of exchanging information with non-EC countries, so that the practical difficulties in maintaining supervisory confidentiality are not allowed to constrain necessary communications with third countries. An international consensus is needed on the common interest in effective supervision of banking groups world wide, and on the level of confidentiality required to underpin it.

Thirdly, all those concerned in regulating international banks should be clear about what information should be shared and how it is to be channelled between those who need it.

Fourthly, as my right hon. Friend announced last month, new machinery is being established between the supervisory, investigation and prosecuting authorities within the United Kingdom, to strengthen their exchange of information, so as to enable us better to detect and deal with financial and company fraud.

Finally, on auditors, Sir Thomas Bingham's main proposal is that they should be put under a statutory duty to report relevant information to the Bank. This reflects a similar recommendation in the fourth report of the Treasury and Civil Service Select Committee.

The Government strongly support this approach, which, I am pleased to say, has also been welcomed by the professional bodies. My right hon. Friend the Chancellor has already made it clear that a similar duty should be introduced for the auditors of building societies and financial services companies. My right hon. Friend the President of the Board of Trade has said that he would want this approach also to be extended to the auditors in insurance companies.

A process of consultation is now getting under way, involving both the professional bodies and representatives of the sectors concerned. This will cover the formulation of such a duty, and its enforcement. Discussions will proceed as a matter of urgency with the aim of introducing measures in this House at the earliest opportunity.

Mr. David Shaw: My right hon. Friend will know of my interest in small businesses. Has he taken into account the fact that, if every single financial services company is to be regulated, that will be getting down to some very small companies and businesses that will have to fill out even more forms than they are already filling out? Will there be a levelling off process, so that the very small are exempted?

Mr. Nelson: I understand full well the important point that my hon. Friend raises, and I have considered a de minimis rule. So far, I am not inclined to introduce one. These matters will be the subject of consultation, but there is an existing professional responsibility that extends to auditors to flag up concerns when they arise. Secondly, it is intended that this will apply to all authorised firms in the financial services sector. To include some and exclude others would require a line that it would be extremely difficult to draw.

Thirdly, while I understand the concerns of some small firms, it is sometimes in those small firms that problems arise, and depositors and investors need to be protected. Finally, I want to ensure that the way that the legislation is introduced and then conducted in practice will not involve the flagging up of too much information, because that can impose an impossible burden on regulators and supervisors, and extra costs on small businesses. Overall, the objective is to bolster the ability of auditors to say to a firm or its directors, "Look, unless you bring this to the attention of the authorities, I am required to do so by law." For those reasons, the change is justified.

Mr. John Greenway (Ryedale): Does my hon. Friend agree that the picture that he is painting of what is required in terms of auditors' disclosure is mirrored largely in what already exists in the regulation of insurance brokers, through the Insurance Brokers (Registration) Act 1977, on which I shall talk later if I manage to catch your eye, Mr. Deputy Speaker?

Mr. Nelson: I am grateful to my hon. Friend. That is indeed the case, and that is one reason why it has been welcomed by the profession.

I hope that it will be clear to the House from what I have said that the Government attach the highest importance to implementing in full all the recommendations that Sir Thomas Bingham has made. Perhaps I

should now say something about the work that the Treasury and Civil Service Select Committee has undertaken since the collapse of BCCI. It has produced two thoughtful reports, one on the role of local authorities and money brokers, and another looking into international and national regulation. The Government and the Bank of England have already responded to both reports. On behalf of the Government, I should like to say how much we appreciate the careful consideration and the compelling analysis and recommendations of these reports. I am sure that hon. Members will wish to pay tribute to the work of the Committee.

Both the Government and the Bank accept, and are grateful for, a sizeable number of the Committee's recommendations and conclusions, and we have already announced our intention to implement them. These include the need to deal effectively with banking groups that have an inadequate structure, the need to impose a statutory duty on auditors to report their suspicions to the Bank and the desirability of establishing an international mechanism for monitoring supervisory standards.

Despite all that we sometimes hear about the superiority of Senate committees over our Select Committees that operate here, the work that the Treasury and Civil Service Select Committee has done on BCCI compares favourably with the much less considered report of Senator Kerrey.

Another subject discussed in the Bingham report is the extent and nature of the Bank's powers to deal with recalcitrant institutions.

Mr. Brian Wilson (Cunninghame, North): Why did Senator Kerrey have to conclude that a number of significant documents were withheld, presumably on the instructions of the British Government? These related to information, of which the Bank of England must have been aware, from the security services on the doubts that existed in those quarters about BCCI many years ago. Readers of *Private Eye* have had a glimpse of these documents, but apparently Senator Kerrey, and perhaps even Bingham, did not. In an age of supposedly open government, how can those documents be kept private and not be put in the public domain?

Mr. Nelson: The Governor and my right hon. Friend the Chancellor of the Exchequer established the Bingham inquiry for exactly that purpose. Nothing was withheld from Lord Justice Bingham while he was making his inquiries, and the Government regarded this report, as they do now, as the authoritative report on the supervision of BCCI.

Senator Kerrey may complain that he did not get some information, but we may complain, with justification, that he did not seek evidence, and did not enable people to question some of his conclusions and findings. I am sure that the hon. Gentleman will accept, as many of his hon. Friends do, that this is the authoritative version, this is the one that was justified by the calling for any papers and this is the one that we should consider today.

Sir Thomas Bingham has, quite rightly, drawn attention at a number of points in his report to the nature and extent of the powers conferred on the Bank by the 1979 and 1987 Acts. He has also pointed, on a number of occasions, to situations where they could have been exercised. But, in all those cases, the Bank has always a second test that it must apply. It must ask itself not only

whether its powers are exercisable; but, if it decides that they are, whether would it be in the interest of depositors to exercise them. Deciding to revoke a bank's licence and to bring its operations to an end may sometimes be the right or only course to follow.

Often, the interest of depositors are better served by taking less drastic, remedial action so that an institution in difficulties can be restructured or, perhaps, wound down over a period, so minimising the risks for depositors or even, with good management, eliminating them altogether.

Over the past six years or so, there have been 35 occasions on which banks have been persuaded to undertake remedial action without fuss and with no loss to depositors; 17 occasions on which authorisations have been revoked; 28 examples of authorisations being restricted under the Act; and 18 more in which an institution has been persuaded to surrender its authorisation under pressure from the Bank. On all these occasions, the Bank has acted in good faith with the need to protect depositors very much at the forefront of its concerns.

Mr. Macdonald: Will the Minister give way?

Mr. Nelson: If the hon. Gentleman will forgive me, I will not, as I wish to make progress. I shall deal now with compensation, and if need be, I shall give way on that issue.

At the time of closure, BCCI had 25 branches in the United Kingdom with deposits totalling £1.85 billion, of which one third were sterling retail deposits. Deposits by United Kingdom residents totalled £240 million, of which three quarters were in sterling. I understand that BCCI had over 53,000 sterling accounts. The Deposit Protection Board has sent out claims forms to some 42,000 depositors. So far, over 16,500 claims have been lodged with the board, and more than 9,000 of them have already been paid. A total of more than £54 million has been paid out so far, and we expect the final figure to be a good deal higher—perhaps as much as £85 million.

I can understand, of course, why a number of hon. Members especially those who have had experience of hardship among their own constituents—should want to suggest that additional compensation should be paid to help those who have lost some or all of their savings as a result of the fraud.

The Government have made it clear that responsibility for the collapse of BCCI rests with those who devised, directed and implemented the frauds and that there is no justification for public money being used to provide recompense to those who have lost as a result. There are also other compelling reasons for this, which I invite the House to consider.

First, no system of banking supervision is fail-safe. When a fraud like this is led and organised by those at the very heart of an institution's management, and where so much time and effort was devoted to concealing its existence both from supervisors and from their auditors, it is particularly difficult to detect in its early stages.

It was because Parliament acknowledged that no system of banking supervision could ever guarantee banks against failure that the Banking Act 1987 established the Deposit Protection Board to provide a degree of compensation for depositors.

What these arrangements were designed to achieve—and what in my view they do achieve—is a proper balance

[Mr. Nelson]

between the need to offer some protection, particularly to smaller depositors, on the one hand; and the equally important need, on the other, to maintain the principle that depositors themselves have to be aware of the risks associated with different institutions and to bear them in mind when deciding where to put their money.

If that were not so, and depositors were compensated for any failure of a financial institution, those banks that acted irresponsibly—by, for example, offering unrealistically high levels of interest—would prosper at the expense of the more prudent. That would lead to increasingly risky approaches being adopted towards the running of deposit-taking businesses, which, over the long term, would have damaging implications for the entire banking system. Recent experience of the United States thrift banks makes it clear that this is a real practical concern, and not simply the construct of theoretical economists.

Supervisors' behaviour would change too. They would become much more cautious in the way in which they carried out their task, tending towards the setting of higher capital and liquidity requirements and moving to close down banks at the earliest sign of difficulty. Their primary motivation would soon become to protect themselves from the risk of litigation, at the expense of almost everything else. That would not be in the long-term interests of depositors or of the economy more generally.

Mr. Vaz: I would have been astonished if the Minister had arrived in the Chamber this morning with a cheque for £6 billion to pay out compensation. If he accepts from the local authorities' point of view the argument of the Select Committee on the Treasury and Civil Service, which is set out in paragraph 76—the Minister has lavished praise on the Select Committee—there was a breach of supervisory duty on the part of the Bank of England. He must accept also, as I think he has done—he has accepted all the recommendations—the savage criticism of the Bank of England that appears in the report.

Surely there is no difference between the case of the BCCI victims, be they creditors, depositors, ex-members of staff or local authorities, and the people who lost money in Barlow Clowes. In that case, as the Minister knows, Lord Young refused compensation but eventually compensation was paid. Surely the Minister must consider the issue of compensation. He must listen to the representations of those affected before he makes a decision.

Mr. Nelson: It would be wrong for me to lead the hon. Gentleman on. The Government have carefully considered the representations. We have considered the report fully in accordance with our undertaking. My right hon. Friend made it clear that it was our intention not to grant additional compensation over and above that provided by the deposit protection scheme. The BCCI case is different from that of Barlow Clowes. The Parliamentary Commissioner for Administration recommended that compensation should be paid to those involved in the Barlow Clowes case. For the reasons that my right hon. Friend has already—

Mr. Macdonald: Will the Minister give way?

Mr. Nelson: I have given way on several occasions. There will be opportunities for the hon. Gentleman—

Mr. Macdonald *rose*—

Mr. Deputy Speaker (Mr. Michael Morris): Order. The Minister is not giving way. I would be grateful if the hon. Member for Western Isles (Mr. Macdonald) would resume his seat.

Mr. Nelson: I hope that hon. Members will understand that I shall not give way. I wish to deal—

Mr. Macdonald: Will the Minister give way?

Mr. Deputy Speaker: Order. The hon. Gentleman must resume his seat. He must not keep getting up and challenging the Minister.

Mr. Nelson: I am obliged, Mr. Deputy Speaker.

I move on to the Abu Dhabi scheme, which is of great importance in this matter. As many hon. Members will be aware, there is a further source of funds that will be potentially available to depositors. This is the separate package that is being negotiated by the liquidators of BCCI SA, BCCI Overseas, and the majority shareholders in Abu Dhabi. It has now been approved by the courts in Luxembourg, following earlier approval by courts both here and in the Cayman Islands. The package contains two main elements. The first is a pooling arrangement, by which the proceeds realised from assets by liquidators all around the world—whether from BCCI SA or the Caymans registered BCCI Overseas—will be put into a central pool, from which all creditors, not just those in the United Kingdom, will receive a payment in proportion to their admitted claims.

I understand that the intention behind that arrangement is to ensure a co-ordinated approach to all BCCI creditors wherever they may be, and to prevent competition between different liquidators for the same assets. That is clearly a sensible objective, although it does have the consequence—about which several hon. Members have expressed understandable concern—that no payments have yet been made by liquidators, either in the United Kingdom or anywhere else. Although it is far from clear, given the complexity of BCCI's affairs, that any payments would yet have been made even if the package had never been proposed.

The second element, which I know has also aroused a good deal of interest, involves the setting up of a contribution fund by the majority shareholders, which—together with the estimated proceeds from the liquidation—should lead to creditors recovering some 30 to 40 per cent. of their money. I understand that, under the terms of that arrangement, majority shareholders would, over the next 20 months or so, put up between \$1.2 and \$1.7 billion to be paid to creditors. In return for payment from the fund, creditors would be required to waive any legal claims against the majority shareholders.

In order to be put into effect, the arrangement requires that creditors to the value of \$7 billion grant waivers of legal claims—although that target figure may be reduced at the discretion of the majority shareholders. Once that level has been reached, the scheme can go ahead, and a first "distribution", which I believe will equate to about 10 per cent. of creditors' claims, will be paid, some time during 1993, with further payments following later.

Mr. Vaz: Will the Minister give way?

Mr. Nelson: I shall give way for the last time.

Mr. Vaz: Is the Minister aware that an appeal has been lodged in the past 24 hours in the Luxembourg court against the proposal? That means that it is unlikely that the case will be dealt with for several months. As the hon. Gentleman has raised the issue of the Abu Dhabi scheme—I know that he visited Abu Dhabi last year—does he think that the pause will give the Government an opportunity of making approaches to a friendly Gulf state to ascertain whether the contribution that has been made can be raised, bearing in mind that the Sheikh of Abu Dhabi will get back \$4 million-worth of promissory notes as a result of the deal? The Government have been given an opportunity; will the Minister seize it?

Mr. Nelson: No, I do not think that the Government should or will. It is a matter for the shareholders and the liquidators. The hon. Gentleman mentioned the appeal, which has just been lodged. As I have already said, that is a matter for those involved. I must say that appeals against the scheme inevitably have the effect of delaying further recompense for others. The delays so far have had exactly that effect.

Of course people are entitled to make the judgment that they may get more. As far as Sheik Zayed is concerned—he is a man of enormous honour and integrity, and a great friend and ally of this country—the losses incurred in respect of \$2 billion of investments, not deposits, placed with the group have been written off in addition to the funding requirement here. The Abu Dhabi authorities would argue, with some reason, that they are taking considerable losses on the nose.

As well as the distress caused to retail customers, much has also been made of the losses incurred by local authorities that deposited money in BCCI, and there have been the all too predictable calls for the Government to compensate them. My right hon. Friend the Chancellor has already made it clear that no special compensation will be paid and, like him, I see no reason why local authorities should be treated differently from any other depositor who lost money.

The losses are a matter for the local authorities concerned, although those who wish to do so can apply to their relevant Environment Department for the losses to be capitalised and spread over a number of years, so as to phase the impact on local chargepayers. But that does not mean that the Government are giving local authorities special treatment. Quite properly in my view, the consequences of the loss have to be met from local resources.

Before I conclude, I want to restate something which, although perhaps obvious, is often overlooked. Whatever system of supervision we construct, whatever the law seeks to provide a fail-safe system can never be devised. As a Government and a Parliament, we have a proper responsibility to remind individuals of several basic, commonsense rules of financial husbandry from which they must not depart. I call them the five golden rules, and I commend them to all investors and depositors. I hope that I will not sound too preachy if I reiterate them now, but they are worthy of repetition.

First, the buyer, investor, and depositor must always beware. Secondly, one should spread one's investments and not put all one's eggs in one basket. Thirdly, one should obtain good advice from independent or

professional sources. Fourthly, one should always read the small print. Finally, one should never confuse authorisation with a guarantee.

The House has a proper interest in ensuring public confidence in the United Kingdom banking system. The Government and the Bank of England considered carefully, learned from, and implemented changes in line with the recommendations of not only the Select Committee but of Sir Thomas Bingham. In doing so, we have considerably improved the Bank's ability to spot at an earlier stage miscreants within our banking system; enhanced public confidence in the banking system; and met the real responsibilities that the Government accept in responding to a report such as that produced by Sir Thomas.

There were lessons to be learned and the Government have learnt them. This debate provides the House with an opportunity to express its views on Bingham's recommendations, and I hope that my right hon. Friend's response will be welcomed by all concerned.

10.22 am

Mr. Alistair Darling (Edinburgh, Central): When the Minister set out his five golden rules, I was reminded of an expression familiar to many of us—as safe as the Bank of England. In debating the Bingham report, we should bear it in mind that some members of the public in the United Kingdom and other countries are entitled to expect that certain standards can be relied upon in an institution regulated by the Bank of England.

The Bingham report is set in the context of the whole banking and financial services regulation system being called into question. The regulators can, of course, point to their successes, but we are entitled to assess and to judge their weaknesses by examining also the system's failures. The most damning conclusion that one can draw from the Bingham report is not that the Bank lacked sufficient powers—even in 1979—but that it lacked proper judgment.

The Minister invites the House to acquiesce in allowing the same Bank—and in many cases the same personnel who made bad errors of judgment throughout the 1980s—to continue to exercise the same functions that they have had for some years. The House is entitled to question whether that is appropriate in all the circumstances. Of course, one can reach judgments with the benefit of hindsight. In considering my contribution, I first thought of addressing the Bingham report briefly and concentrating on the future—but one cannot do that without drawing conclusions from Bingham's telling criticism, which, because it is so understated, is so powerful.

BCCI's problems arose long before it collapsed, but I will not dwell on the final years before its closure. In many ways, the lessons to be learned for the future are to be drawn from the bank's early days. As my hon. Friend the Member for Western Isles (Mr. Macdonald) said, Lord Justice Bingham reached the conclusion that BCCI should not have been licensed in 1979—or that it should only have been permitted to operate under strict conditions.

The Minister seemed to suggest that the only option open to the Bank of England was to allow BCCI to trade or to shut it completely. Bingham makes the point that, even under the 1979 legislation, the Bank could have used available powers to bring pressure to bear on Mr. Abedi to comply with the Bank's understandable concern, or made

[Mr. Alistair Darling]

much greater use of the power of which it has always boasted, in bringing its influence to bear. That influence might have been far greater in the earlier stages than was the case as matters progressed.

Between 1980 and 1984, the Bank of England tried to exert pressure to put in place a structure that it could regulate. It found a solution, but was rebuffed by Mr. Abedi. Lord Justice Bingham is extremely critical of that aspect, commenting that the Bank simply walked away from the situation. At paragraph 246, he states:

"I find it surprising that no effort was made to bring the Bank's traditional authority to bear on Abedi to secure his compliance . . . Abedi's truculence . . . would have made clear that the authority of the Deputy Governor, or even the Governor, would have had to be brought to bear."

The alarm was sounded even in the early 1980s that BCCI was no ordinary bank and that it could not be treated as a member of the gentlemen's club—which has been the Bank's traditional approach to regulation in this country. Instead, the Bank was rebuffed in 1984 and then seemed to change tack.

Throughout the 1980s, The Bank of England received, with increasing regularity, reports that should have given notice that something was very wrong. The Bank and the auditors made considerable efforts during that decade to put in place a structure with which they could cope, when all the time BCCI appeared to be leading the Bank on a merry dance.

The Minister said that BCCI was a bank in search of a home. I do not think so. It successfully avoided finding a home. It might be said that it was a role model for latter-day poll tax evasion. It was obvious that BCCI did not want to be regulated and regarded the Bank of England as a soft touch—which it was.

In 1985, the Bank was alerted to substantial trading losses in BCCI's central treasury. Lord Justice Bingham is especially critical of the Bank's response in that regard. Although it is clear that it sent in inspectors, they were taken in by BCCI and had no idea what it was doing at that time.

Between 1986 and 1988, the Bank of England heard of more and more problems—of fraud in London and—from MI6—of fraud in the Gulf. There was evidence also of doubtful loans. It is clear that although individuals in the Bank and Price Waterhouse, latterly the auditors, had that information, that intelligence was not brought together at an early stage and channelled ultimately, I suppose, to the Governor—who must, as the individual in charge of the Bank, accept responsibility for regulation.

Instead, lines of communication left much to be desired. At no time did anyone stand back and ask, "What on earth is going on at BCCI? Why have we made no progress? Why are we allowing months and years to elapse before taking firm action?"

Mr. David Shaw: I attended a meeting in the Grand Committee Room at which many members of BCCI's staff were represented. They argued that the closure had been a CIA plot against the Muslim world. They seemed to think that it had taken place far too early, and that the bank should have been given a longer chance to stay in business. How does the hon. Gentleman reconcile the early warnings with the considerable political pressure that was

exerted worldwide, to the effect that the bank was looking after the interests of the third world and should be allowed to continue in existence?

Mr. Darling: I do not accept the argument that, according to the hon. Gentleman, was put to him and others in the Grand Committee Room, but that is neither here nor there. It would appear that the Bank of England considered the possible consequences of closing BCCI throughout the 1980s. It might more profitably have considered the consequences that would be visited on it if it took no action.

Let me repeat that the sole option was not always closure. If the Bank of England had told BCCI earlier that it was not prepared to allow it to continue in business without the imposition of conditions, matters might have been different. I do not disagree with the Economic Secretary's assertion that, whenever the bank was closed, some losses, somewhere, were inevitable. We must ask, however, whether it might have been better to take firmer action at the outset, rather than letting matters build up.

The Bank of England was in a difficult position. It was trying to arrange the restructuring of BCCI, and latterly, when the new majority shareholders appeared on the scene, it was trying to take advantage of that. Throughout that time, however, it should have focused on the main problem—that BCCI was not being regulated because its structure made regulation impossible. The Bank did not address itself to that problem; indeed, as 1991 approached, it became so confused that, in my view, it lost sight of what it was supposed to be doing. To that extent, its judgment was severely wanting.

Mr. Vaz: My hon. Friend is giving an excellent account of the Bingham report. Does he agree that it is very odd that, in a 45-minute speech, the Economic Secretary did not once defend the role of the Governor of the Bank of England? Is it not extraordinary that, following the savage criticism directed at him, the Governor has not resigned—or, at least, tendered his resignation and left Ministers to decide whether it should be accepted?

Mr. Darling: I shall deal with that point shortly.

Let us consider Bingham's criticism of the way in which the Bank of England handled reports that came to it from the fraud squad in England, from MI6 and from other sources. According to chapter 2, paragraph 14, "it was in my view incumbent on the Bank to see that serious and apparently credible allegations capable of investigation . . . were fully investigated. As it was, the police complaint petered out and the report from the Gulf was neither investigated" nor pursued.

Alarm bells should also have rung in respect of the Tampa indictment. According to paragraph 2.166, the auditors felt it necessary to enter the Bank of England separately in case they were seen by their clients. Yet, after they had spoken to an official of the Bank about the matter and acted accordingly, nothing was done. As Bingham points out, the Bank showed a "marked lack of curiosity". In paragraph 2.162, he observes:

"The likelihood of involvement in handling the proceeds of drug-trafficking could scarcely have eluded a competent and diligent banker contemplating such an investment, particularly if he had branches in Panama and agencies in Florida . . . it was a pertinent enquiry, to which a rigorous supervisor would have wished to know the answer."

I have cited those passages because they are relevant to what is to happen in the future. Bingham has made a

damning criticism of the judgment of junior, middle-ranking and senior officials in the Bank of England, and at the end of the day the Governor must accept responsibility.

We all know that the Bank of England is immune from prosecution or suit because of the terms of the Banking Act 1987. Surely, if those who rely on the Bank have no normal legal remedy, the counterbalance must be that those who accept responsibility—and all that goes with the governorship of the Bank of England—should accept the other side of the coin. When things go wrong and the organisation for which they are responsible fails to live up to the expectations to which we are entitled, they should accept the logical consequences and resign.

It is never pleasant to put someone in such a position; ultimately, however, responsibility for one's actions is a crucial part of accountability. I think that, after receiving the Bingham report, the Chancellor himself should have said to the Governor, "This is a damning criticism of the stewardship of the Bank, and you cannot do other than accept responsibility." There is a problem with that, however: I can imagine the Governor turning around and replying, "Well, Chancellor, I will go, but what about you? What about your conduct of matters for which we were both responsible?"

That has been one of our difficulties with the Government over the past few weeks. No one is prepared to accept responsibility for his actions. That debases public life, because the public are entitled to expect someone to accept responsibility when something goes wrong. Surely, when no legal remedy is available—I shall say more about that when I deal with the question of compensation—and no one is prepared to carry the can, the Chancellor is duty bound to insist that standards are upheld.

I find it extraordinary that the Governor seems to be maintaining the line that the Bank is blameless. I understand that he continued to take that stance when he was invited back to give evidence to the Select Committee earlier this week. According to him, no one was at fault; it was all a mistake; perhaps it should not have happened, but no one was to blame. I cannot accept that. Is the Economic Secretary asking us to accept that the Bank of England, in its present form—with many of its officials still occupying the desks that they occupied during the BCCI affair—is to continue to be responsible for regulation? If so, many people are bound to ask when the same thing will happen again.

This is not the first time that such a problem has arisen. The affair involving the Johnson Matthey bank—which, of course, entailed different circumstances—illustrates the problem. The Bank of England may enjoy many successes, but it has yet to get on top of affairs such as those involving Johnson Matthey and BCCI. Warning signs were there, but the Bank of England did nothing.

Mr. Beith: I believe that I am the only Select Committee member who took part in the questioning on Wednesday and who is present today. For many years, the Governor of the Bank of England has proved a courteous, frank, helpful and honest witness before the Committee. Like other Committee members, I was appalled by such a defensive approach to such a catalogue of failures as that listed in the Bingham report. I was genuinely amazed that neither the Governor nor his colleagues seemed willing to accept responsibility for what had happened.

Mr. Darling: I have not met the Governor; I believe that I am to meet him in the next couple of weeks, which makes matters rather difficult. I dare say that he will be delighted to meet me after what I have said! I think, however, that I would be failing in my duty on behalf of my party, and on behalf of many other hon. Members, if I did not say what I believe ought to be said: that someone should accept responsibility.

This is the biggest banking failure that we have seen. Many depositors, in this country and abroad, have lost all their money and are in severe financial difficulties. No matter what the Economic Secretary may say, when a bank is regulated its depositors are entitled to expect the regulator to discharge the duties incumbent on it. I do not suggest for a minute that they should not use their own commercial judgment in many respects, but there is no point in regulation unless it means regulation.

I think that I have made the point strongly enough. I find it extraordinary that the attitude of the Bank's senior management is "business as usual." I suppose that all that can be said in their defence is that exactly the same attitude prevails in the Treasury. Its approach is "Nothing has happened. The public may have lost out; tough luck. We are carrying on." That attitude needs to be corrected.

Does the Economic Secretary believe that the Bank of England is the appropriate body to continue regulation? I know that that point has been canvassed by the Select Committee, but I wish to raise it again. I was struck by many features of Lord Lawson's book, which was published yesterday, but one aspect struck me particularly. I would not normally seek an ally in Lord Lawson, and some of his criticisms are in what I would call typically Lawsonsque style: everyone seems to have been to blame except him. However, he points out that the Bank of England has two tasks. One is to implement monetary policy; the other is to supervise banking policy.

On page 406 of his book, Lord Lawson says:

"despite the Bank's subordinate role in monetary policy and its leading role in bank supervision, the high fliers were all attracted to the former, much sexier side, while the humdrum but important" task of regulation was

"always in danger in becoming something of a backwater."

Two points arise. First, why did not Lord Lawson, during the six years that he was Chancellor of the Exchequer, do anything about it, if that is what he thought? Secondly, is he right? I understand that the Bank of England will say that that is not necessarily the case and that it has high-calibre people on the regulatory side. I wonder, however, whether an organisation whose sole job is regulation ought not to have focused on the problems that arose with BCCI at a much earlier stage. The Minister should look into that point.

To digress for a moment, if the treaty of Maastricht is concluded and a European central bank is established, the structure, composition and powers of the United Kingdom's own national Bank will have to be looked at. We ought, therefore, to consider whether the Bank of England should be responsible for regulation.

I say no more than that the situation might have been different had there been an organisation whose sole job was to look at these issues. Bingham makes the point that the Governor and deputy Governor were busy men, that they had many other matters to worry about in the 1980s and that it might have been better if someone had had sole responsibility for regulation.

[Mr. Darling]

I am glad that the Minister accepts the Bingham recommendations and also the Select Committee's recommendations, to which I shall return. I disagree with one of Lord Bingham's recommendations. He said:

"the Board of Banking Supervision played a valuable role but must be alerted to any fact which even might cause their antennae to twitch".

There were a number of facts that would have made anybody's antennae twitch a trifle. Lord Bingham is a little complacent when he says that the Board of Banking Supervision had played a valuable role. I argue that it did not do so. It had the information, or had cause to ask for information to be put before it. I do not know the two gentleman to whom the Minister referred and I do not criticise them, but I wonder whether hon. Members can leave the House today feeling happy that the same people appear to be doing the same job that they were doing throughout this episode. Apart from that, I have no quarrel with the Bingham recommendations.

As for international co-operation, the House will be aware that under the European directive that comes into force in January 1993 we shall be faced with the curious fact that banks operating in the United Kingdom will be regulated by other European Community member states. The standards of regulation are not the same throughout the Community. The Treasury and the Bank of England will have to consider very carefully how that works out in practice so that we do not find that someone takes advantage of the fact that somewhere in the European Community there may be a regulatory regime that is less strong than the United Kingdom's regime.

The other important point is that the statutory duty of auditors ought to be clear so that if whistles are to be blown they are blown without doubt. It should never be necessary for auditors to have to go to the Bank of England and use separate entrances in such a clandestine manner as happened in the case of BCCI.

On the question of compensation, I have to remind the Minister that on the same day that he said that he was confident that the Bank of England would be exonerated, the Chancellor of the Exchequer said something different. The Minister may come to the Dispatch Box with a clean sheet, but the Treasury, for which he is now responsible, does not come to this matter with a clean sheet. The Chancellor is still the same Chancellor as we had in 1991. In reply to a question from my right hon. Friend the Member for Bethnal Green and Stepney (Mr. Shore) the Chancellor of the Exchequer said

"I said that I would have to consider the position if the conclusion was that blame applied to the authorities or individuals, or their were findings of negligence."—[*Official Report*, 19 July 1991; Vol. 195, c. 722.]

The Minister muttered the word "negligence". Negligence is a high test, but the Chancellor used the word "blame". I challenge anybody who has read the Bingham report to tell me that no blame attaches to the Bank of England. Ministers sometimes say things that they subsequently regret, but the tradition is that if they say things to the House they are stuck with them.

I know that the Chancellor will claim that he said that he would consider it and that he has now considered it. I dare say the minute he sat down he considered the matter and thought to himself, "I shouldn't have said that." However, he did lead people to believe that if there were blame, the matter might be different. The Government

have some responsibility because, as I said, the Treasury is responsible for the Bank of England. That is the line of communication and the line of accountability.

From 1988 onwards the Treasury was well aware of the problems with BCCI. When the Chancellor of the Exchequer made his statement on 22 October I said that the Treasury had to ask itself whether it ought to have done more. It certainly briefed Ministers that all was well, but the Treasury, for which Ministers must accept responsibility, must have known that alarm bells were sounding. In my wanderings around the City in the last couple of months or so, anybody who mentions these things tells me, "Anyone could have told you about BCCI. It's just unfortunate that nobody appears to have told the Governor of the Bank of England that there were problems."

Mr. Vaz: My hon. Friend raises a very important point about what the Chancellor said on 19 January 1991. Will he take it from me that the Economic Secretary's predecessor, Mr. Maples, gave exactly the same commitment when he met an all-party delegation of Members just after the Bingham inquiry was set up? He told us that if there were any question of negligence or blame, he would look into the question of compensation.

Mr. Darling: I must accept what my hon. Friend tells me. I dare say that someone on the Treasury Bench will have made a note of that point, though I suppose that in this era of open government we shall not see it.

The Chancellor certainly led the House to believe that if blame were to be attached to anybody he would have to consider the position. Most hon. Members took the view at the time that this looked like another Barlow Clowes. It could be, though, that the Chancellor had been briefed by the Governor of the Bank of England and that the Chancellor was clear in his own mind at that time that no blame was going to be attached to the Bank of England. It is possible that the Bingham report came as much of a surprise to the Chancellor as the section 41 report by Price Waterhouse came to the Bank of England in 1991.

The local authorities make one point that seems to me to have some force. Under the Banking Act 1987, the Bank of England has immunity. Local authorities cannot go to the ombudsman. It was the ombudsman's report that led to the recommendation that compensation should be paid to Barlow Clowes investors. The local authorities are in a difficult position.

The second report of the Treasury and Civil Service Select Committee deals with the local authorities. It makes useful comments about the Bank of England's approved list. Even those who criticise the local authorities—I am critical of one or two of them—accept that there is some ambiguity about the approved list that is published by the Bank of England. There was no point in having an approved list if the Bank of England knew, as one member of the Bank of England's staff said, that BCCI was a cesspool but then stuck it on the approved list, in the knowledge that people were likely to do business with it. Although he did not mention it specifically, I hope that the Minister accepts the Select Committee's recommendation.

I return to the point that I made earlier: there are two possibilities. Either the Bank of England is to be made available for prosecution or legal redress, in the event of negligence, or we are entitled to expect, when things go wrong, that somebody carries the can. We cannot have it

both ways. We cannot have the Bank of England being unable to be sued and, no matter what happens, nobody accepting responsibility for what goes wrong. It is unfortunate that poll tax payers in some local authorities will have to shoulder a very heavy burden.

Criticism has been levelled at the conduct of officials in the Western Isles council. When one looks at the catastrophic consequences for the economy of the Western Isles and for the poll tax payers—or for council tax payers next year—the Government's attitude appears to be high handed. Therefore, they ought to look into that question.

Individual depositors pose a difficult question. Under the Banking Act, the maximum amount payable under the deposit protection scheme is £15,000. Under the Finance Act 1987—a different regime—the maximum sum payable is £48,000. Does the Minister intend to review the working of both schemes? There appears to be an anomaly. In the United States, the equivalent of about £68,000 can be paid to individual depositors.

If the Treasury and Civil Service Select Committee returns to the question of compensation and recommends that compensation ought to be paid to investors over and above what is provided for under the deposit protection scheme, I hope that the lavish praise that the Minister heaped upon the Select Committee will not cease and that he will accept such a recommendation. The Chancellor gave an undertaking, from which Ministers cannot lightly depart. I would not go so far as to say that the statement was misleading. It would be improper of me to do so. If, however, Ministers say something to the House and, therefore, to the country, people are entitled to rely upon it.

I accept the difficulties that the Government would have concerning the relationship between depositors, major shareholders and the compensation scheme. Nevertheless, if the Government can do anything to bring pressure to bear, as Governments can, I ask them to do so. There is no doubt that many people in this country feel that they have had a raw deal, and that they are not being given the same consideration as were the more articulate investors in other schemes. They feel badly done by, and they are beginning to wonder whether the Government regard them as less important than other investors.

As the bank is now in liquidation, there is the problem that the liquidators are responsible for all the creditors throughout the world, not just the United Kingdom creditors. I understand that, as ever, rapacious accountants and lawyers are having a field day with what funds remain in the bank. That matter must be investigated.

Finally, there are some relevant questions about which I had hoped the Minister would speak. For example, the whole subject of regulation has a direct bearing on the report, whose publication coincided with increasing problems in the regulation of financial services. There have been many problems, and the Government will have to get a grip on the situation.

Next year the European directive will introduce a new area to consider. The Securities and Investments Board and its subsidiaries, if I may use that word, are relevant. The Minister will be aware that over the past few months there has been controversy, to put it mildly, over the amalgamation of the Life Assurance and Unit Trust Regulatory Organisation—LAUTRO—and the Financial Intermediaries, Managers and Brokers Regulatory Organisation—FIMBRA. Mr. Newmarch of the Prudential Assurance company made a speech on Tuesday

night which brought to a head a simmering row. It is difficult to see how the PIA—the new amalgamated body, the Personal Investment Authority—will be able to get off the ground if an organisation as large as the Prudential will have nothing to do with it. The Government must get a grip on the situation. They cannot allow the debate to become dominated by producer interests. There is a large public interest.

I believe that the hon. Member for Dover (Mr. Shaw) complained that small firms might be regulated. May I tell him that many of the problems arise from small firms—the kind that are set up in January and are gone by November, leaving a trail of devastation and hardship in their wake. The Government must consider that aspect, although it is extremely difficult. In some ways banks are easy because one is dealing with one or two large players, whereas financial services involve many very small firms trading with hundreds of thousands of people. Nevertheless, the Government cannot allow the industry to carry on in its present state.

I know that Andrew Large of the SIB is due to present a report to Ministers in March, but I am not sure that the Government can wait until then before making preparatory plans. Even after the report is presented in March there will have to be consultation, and it may be 1995 or 1996 before new legislation is passed. The Government will have to legislate next year and, if they are to do so, some of the more difficult problems, such as the lack of compulsion available to the SIB for knocking heads together, could be tackled.

It is depressing to speak to people in banks and insurance companies and hear them say, "We know that we shall have to co-operate, but we shall not do so until we are forced to." The Government cannot allow that to continue, because every day somewhere in this country someone is selling duff policies to vulnerable members of the public. The public are entitled to expect that the Government regulatory regime will protect them. I hope that the Government will take that on board.

The Government must deal with the problem of the Investment Management Regulatory Organisation—IMRO—and the blot that the Maxwell affair has left on its record. And they really must resolve the problem of LAUTRO and FIMBRA.

The term "self regulation" is not only inappropriate but perhaps symbolic of an atmosphere that prevailed in the mid-1980s, and which is not relevant to the mid-1990s. Mr. Newmarch is right that the climate must change. That term is inappropriate—but equally, statutory regulation should not mean a United States style civil service regulator, with the taxpayer picking up the tab when anything goes wrong. Industry should be allowed to regulate its constituent parts, provided that the interests of depositors and investors are looked after.

Parliament is entitled to lay down the framework of what it expects from the regulators—to ensure that companies are regulated, that interests are protected and that regulation means efficient and adequate policing of a regime, so that someone will knock on the door and say, "Where are your accounts? What policies are you selling? Are you deceiving people?" Yes, that will cost money, but in the long term it is a lot cheaper to have a proper regulatory regime in force than to allow the present situation to continue, claiming more victims every week.

The Government cannot avoid blame for what has happened, either with BCCI or in the financial services

[Mr. Darling]

regime. They created the culture of the 1980s, when a nod and a wink were given in the direction of regulation, but they made it clear that they did not want to know about it. That has changed. Indeed, some of the utterances of the Economic Secretary to the Treasury have contrasted favourably with some of those of his predecessors. That is why I am so disappointed that today he seems to be returning to the bad old days, saying, "This is a bit unfortunate; let us walk away and hope that it never happens again." We cannot do that; the culture must change. The Bingham report clearly illustrates what goes wrong when we have a culture of the soft touch. People will take us for a ride, and the Government must remember that.

I know that compensation is a difficult problem, but I strongly believe that, with proper regulation, it will be solved. I believe, too, that the fact that the industry will regulate itself makes abuses less likely. People will hear about things going wrong, so they will be more alert than they might otherwise be. I do not see why people who buy policies should have to pay for compensation in advance, by loading it onto the price of the product. That is equally wrong. The Government must get a grip on the situation, and show that they are prepared to regulate. At present the industry is simply not doing the job.

Regulation is important for two reasons. First, the public, the depositors and the investors expect that then they do business with a regulatory body they are entitled to certain standards, which will be actively policed. Secondly, we must consider the reputation and standing not only of the industry but of the City and of United Kingdom financial services. The United Kingdom is still a world centre, partly because of that reputation, so it is important in terms of this country's income, GDP and employment prospects. If the Government accept that, they must accept that we need a regulatory regime that works. Those two aspects—the protection of the public, and the integrity and reputation of the industry in the United Kingdom—go together.

The Government must show that they are prepared to act quickly. Bingham and the SFA experience show that the Government and the House have been warned. We should take the opportunity that now arises. We cannot walk away from this. If we do, sooner or later we shall be back discussing the next catastrophe. I ask the Minister to bear in mind the fact that he has been warned. He may be the Minister responsible for such matters for a short time or for a long time, but he and the Government have been warned that there are problems, and that they must be tackled immediately.

Mr. Nigel Spearing (Newham, South): On a point of order, Mr. Deputy Speaker. You will be aware that yesterday the President of the Board of Trade and Secretary of State for Trade and Industry made a statement on the GATT, which finished at 5.40 pm or thereabouts. Since then there have been considerable developments—the resignation of Mr. MacSharry and other matters concerning the President of the European Commission, who is responsible for the discharge of £25 billion of public money in connection with exports and agricultural support.

In answer to a question from me yesterday, as reported in columns 443-44 of the *Official Report*, the President of

the Board of Trade did not dissent from the proposition that he was the prime political person in this country, and throughout the Community, in his capacity as President of the Trade Council, responsible to the public here and in the Community.

The Government have said that they wish to bring the proceedings of national Parliaments closer to the people, so I expected that it would be their duty to arrange for a statement to be made. Looking at the clock, Mr. Deputy Speaker, I gather that you have received no such application. I should be grateful if you would tell me whether that is so, and if it is, how the House can express its concern at the Government's lack of action on behalf of the people of this country and of the rest of the Community in this crucial matter.

Mr. James Molyneux (Lagan Valley): Further to that point of order, Mr. Deputy Speaker. You will be aware that I have no vested interest in interrupting this debate, because I hope to catch your eye later. However, in the light of all the developments that have taken place in the House and the fact that the United Kingdom has held the presidency in Europe for the past six months, it is important that we should be given some information about what measures may be taken urgently to restrict the destructive tendencies of Mr. Delors, who has already done a great deal of damage to relations between the European Community and the countries across the Atlantic.

Mr. John Greenway: Further to that point of order, Mr. Deputy Speaker. Given the thin attendance that we normally see in the House on a Friday when we have an Adjournment debate of this nature, would it not be more satisfactory to the House for the President of the Board of Trade to make a further statement on Monday rather than today, when he should spend his time negotiating the GATT settlement?

Mr. Deputy Speaker: Order. Let us not have a debate on this matter. I have had no request for a statement on any issue, but I am sure that those on the Government Front Bench heard what the right hon. and hon. Members said and obviously took note of it.

11 am

Mr. Terence L. Higgins (Worthing): The disastrous collapse of BCCI has set a number of records, which stem from the sheer scale of the fraud. It is probably also on the way to setting a record for the number of inquiries and reports that have been made into it. We have had two reports from the Treasury and Civil Service Select Committee, together with the responses of the Government and the Bank of England. We have also had the reports of Senator Kerrey's inquiry and that of Sir Thomas Bingham.

I am grateful to the Economic Secretary for his kind remarks about the report of the Treasury Select Committee, since, in one sense, it was my swansong as Chairman. I believe that it is a good report. I also noted with interest what he said about Senator Kerrey's report. From reports in the press, I came to the conclusion that it was long on rhetoric but not very long on evidence or analysis.

The reports of the Select Committee and that of Sir Thomas Bingham provide the House with a sound basis for a debate on the relevant issues—which, if I may

presume to say so, has been apparent from the two speeches that we have already heard. There is a difference between the two reports, because the Committee's was based on evidence taken in public, which was an important contribution to the general debate on the issue, whereas Sir Thomas took evidence in private.

It is also true to say that, excellent though Sir Thomas's report undoubtedly is, it does not greatly add to the conclusions or recommendations that were made by the Treasury Select Committee. I am glad that the Government have been prepared to accept not only all of Sir Thomas's recommendations, but virtually all of those made by the Treasury Select Committee. It is vital that we should look forward in our consideration of this matter.

I should like to declare an interest; I am a consultant to a firm of accountants, and obviously the role of auditors was pretty important in this matter.

My first main point is a simple one. It is clear from the evidence that we have received that responsibility for bank supervision by statute rests with the Bank of England and not with the Government. Also apparent from the evidence we received was the extent to which the Governor of the Bank of England did—or, more accurately, did not—keep Ministers informed of what was going on.

There is no doubt that there has been a serious failure in the regulatory mechanism, so it is important that we analyse exactly what happened. I am aware that the Treasury Select Committee is now considering the issue of compensation, and I would not wish to comment further on that, except to note the rather extraordinary statistic which the Economic Secretary has already mentioned. About 42,000 claim forms have been sent out to depositors, but only 16,000 claims have been made. It might be relevant to consider what has happened to the other 26,000 claim forms.

Mr. Vaz: The right hon. Gentleman has highlighted part of our argument about compensation. The amounts of compensation that will be paid eventually, if the Government pay out to all the depositors, creditors, local authorities and former employees, would be a good deal less than the £6 billion mentioned, simply because people who want that compensation will under-claim.

Mr. Higgins: I understand that very well, but I am merely drawing attention to the large disparity between the two figures.

In the Treasury Select Committee report, we pointed out that IML—Institut Monétaire Luxembourgeois—and other regulators set up a unique system of supervision through a college of regulators, which was clearly a second-best solution with serious deficiencies. We said:

“We simply do not understand why BCCI should have been the only bank in the world to be given such preferential treatment”.

The response of the Bank of England to that point can best be described as pathetic. It said:

“The BCCI was a unique problem and the college a unique response to it, as Lord Justice Bingham acknowledges, so it was not a case of preferential treatment.”

I do not understand what the Bank is seeking to say. BCCI was the only bank in the world that was given a college of regulators, when all other banks were told that they should be dealt with on a normal basis by a single regulator. As my hon. Friend and the hon. Member for Edinburgh, Central (Mr. Darling) have already said, BCCI was not looking for a home: it was trying to avoid

having one. It singularly succeeded in that objective because of the special—and, I am bound to say, preferential—arrangement—the college of regulators.

I do not understand why the Bank of England followed that course of action. If it had taken a tough line at that time and had told the BCCI that, if it could not find a proper home, it would not be authorised and it would have to close down, that would have been the crunch. I am bound to say that, if that had been done, the losses to depositors would have been far smaller.

The Treasury Select Committee also concluded that there should have been a single regulator. The Bank of England now accepts that, but it did not do so earlier. That reflects what we rightly criticised as the “climate of opinion” in the Bank, which caused a great deal of trouble. I noted with interest what the right hon. Member for Berwick-upon-Tweed (Mr. Beith) said about the session that the Select Committee had with the Bank of England the other day. I still do not feel that there has been a significant change in that climate of opinion, despite the proposals that have now been made for improving the regulatory system. The lack of change is cause for concern.

The Select Committee also said of the Bank of England's response:

“in our view the promise of additional funds from a major shareholder to make good any deficiencies does not exonerate a regulator from ensuring that the criteria for authorisation are met. We believe that it is important in future that a clear distinction should be made between solvency and probity, and that the ‘minimum criteria for authorisation’ should be strictly interpreted.”

The Bank of England seemed to be convinced that, because more money was being put in and BCCI might therefore be regarded as solvent, that was the end of the matter, and it had no further cause for concern. If BCCI had been entirely run by the mafia, which was prepared to put endless quantities of money into it, it would have been perfectly solvent. That does not mean that it would have been an appropriate bank for the Bank of England to authorise. That attitude once again reflects the climate of opinion that existed in the Bank of England.

In the light of the reports of Sir Thomas Bingham and the Treasury Select Committee, the Bank of England and the Government have accepted the need for a body to regulate the regulators. The Treasury Committee considered this matter in considerable detail, and it is especially important against the broader issues of the EC banking directives and the GATT Uruguay round. One must consider whether, in order to have freedom of competition across international boundaries, bodies which are authorised in one country should be authorised in others. In the EC context, that goes to the idea that, if one EC country authorises a bank, that should be accepted as a sufficient criterion for authorisation in the United Kingdom.

It is suggested that some changes should be made—some legislation, for example—to deal with the legal status of banks which are thought not to be capable of adequate regulation. The Minister referred to the proposed forthcoming legislation. There are, in addition, proposed amendments to the Basle concordat.

I am not clear whether the legislation that we introduce would be adequate to enable the Bank of England to say that it is not prepared to give authorisation, even though it has been given in another EC country. Will the national legislation be capable of overriding what, on the face of it, seems to be an absolutely free passport across the EEC?

[Mr. Higgins]

The Economic Secretary said that that would be discussed at the Edinburgh summit. It is extremely important for the point to be cleared up. It seems, for example, that a bank could be authorised by one of the successor states to the former Yugoslavia. If that were authorised there, we would be obliged to say, "That bank can operate here." If, under EC regulations, that law was supreme over the laws that we may make in the legislation which the Minister is contemplating, that would not be adequate protection for depositors in this country. We must be clear just what is the priority in one set of laws compared with another.

We must also consider, in relation to the Basle concordat, the question of peer pressure and so on. It is said that the concordat will cover the G10 and a wide range of countries. I suggest that it will not be adequate unless it is a universal set of rules and standards which can be applied. Otherwise, as happened in the BCCI case, a bank which wants to avoid effective regulation—forum shopping, as it is called—will go to a bank which is outside the Basle concordat.

Will there be some form of international blackball to enable signatories or parties to the Basle concordat to say that, in those circumstances, a regulatory authority will not be accepted as appropriate? That will be difficult, given that it may be located in a sovereign state. We must cover the point, because in many ways it reflects the problems exemplified by the tragic events which resulted in the collapse of BCCI and its aftermath.

The hon. Member for Edinburgh, Central wondered whether the present structure in this country was appropriate, given that the Bank of England is responsible both for broad financial issues and the regulation of the banking system. I am coming increasingly to believe that that combined role is not necessarily appropriate.

I was interested to note the evidence that the Governor gave to the Select Committee a few days ago. The point was raised with him in the context of alleged remarks—I know not whether they were true—by Bundesbank officials about the situation in this country. One supposes that the Governor had given much thought to the subject. So, when asked whether he thought that the responsibilities should be split and whether some authority other than the Bank of England should deal with the regulatory side as well as the financial side, one would have expected him to give a considered view.

In the event, he made two particular points. He said that the great advantage of having the two combined was that the Bank was operating in financial markets as well as in a regulatory way, and added:

"As a result of what we do in banking supervision, we have a very close picture of what is going on in the markets and the soundness of the financial institutions who are our counterparts, and as a result of what we do in the markets we get a very close picture of how things are going in the financial system itself."

If that were a valid argument, we would consider it in the context of BCCI and conclude that we had doubts about it. I suppose that the most active part of the financial market is the discount market, and at least one of the main participants in that market never accepted the BCCI situation. If so, one would suppose that the Bank of England, looking carefully at the discount market every

week, might have taken some notice, in its role of regulator, of that fact. Indeed, if the Governor's argument is valid, it does not seem to have worked in that case.

The Governor's second point was that the Bank of England had close links with commercial banks and so on because it was a lender of last resort. That might be the case from the point of view of some of the clearing banks, but it blatantly was not the case in respect of BCCI.

Given that the Governor's term of office is coming to an end, this might be an appropriate time for the Economic Secretary to consider carefully whether the combined role is appropriate, whether the individual in charge of it can adequately give enough time to both roles, and, indeed, whether the same person should be in charge of both functions.

We are fortunate in having the Economic Secretary dealing with the issue. Many of the problems that have arisen in recent years have been due to the split between the Treasury and the Department of Trade and Industry. I hope that increasingly it will be concentrated in one Department, and the Economic Secretary's knowledge of these issues fits him well to consider the points that are being made today and, in a broader context, the points made by the hon. Member for Edinburgh, Central, who expressed concern about the way in which the present financial regulatory legislation of a broader kind is operating.

The subsidiary legislation has been in a state of flux since the present framework was set up. The House did not do a particularly good job when it looked at these matters a few years ago, and the time has come for us to look at them more broadly and to learn the lessons that have been shown, not least by the report of the Select Committee and the Bingham report. We are learning those lessons, but I have thought it right to express some of the doubts that I still have about what more needs to be done.

11.16 am

Mr. A. J. Beith (Berwick-upon-Tweed): I am glad to speak following the former Chairman of the Select Committee, partly because I can pay tribute to him for the work he has done on the two reports on this issue, and partly to urge the Economic Secretary to realise that the points made by the right hon. Member for Worthing (Mr. Higgins) show how perturbed many of us are.

We are perturbed not on any party political basis but because of concern over the integrity and status of banking regulation and other relevant matters. We are perturbed that so little acceptance should have been shown by the Bank of England of the scale of failing that has been revealed. The calls that we make are not born of a party political desire in some way to injure the Government by getting at the Governor. There could be no clearer testimony of our concern than the remarks of the right hon. Member for Worthing.

We have before us a well prepared report into a ruinous catastrophe for many individuals. Terrible hardship has been caused, life savings have been lost and small businesses have been destroyed among enterprising people many of whom had come from another background and were building up their place in British society by hard work and effort.

Of course, BCCI was not confined in its work to the ethnic minority community. Its tentacles, and the hardship, were spread much wider, from one end of the

country to the other, as is exemplified by the interest that is being shown in this debate by hon. Members from the southern tip of Britain to the Western Isles.

The involvement of local authorities was examined with care by the Treasury Select Committee, as was that of the brokers with whom they dealt. We found it significant that such a small number of brokers were involved in the BCCI business done with local authorities. By and large, the smaller local authorities, having less high-calibre professional advice, did that business.

As the Economic Secretary said, behind it all was massive fraud on a scale never seen in the banking system anywhere in the world before. The blame for what went wrong lies with that fraud and those who perpetrated it. However, it does not exonerate the regulatory authorities to say that they were simply regulators and not the evil men who planned the fraud, because a heavy responsibility rested on them.

The report contains a series of damaging criticisms of the Bank of England. They are stated modestly and carefully and set in context, but they are extremely serious. The fact that the report did not conclude with a recommendation that the Bank of England be abolished or its leading officials be sent to the stake is being adduced by the Governor and some of those officials as showing that those criticisms do not add up to much.

Nobody who goes through the pain of reading the whole report can come away from it without believing that the Bank has been the subject of fierce and wide-ranging criticism. I commend to anybody interested in the matter and who has not read the report in full to do so, because that is its impact. By failing to recognise the sheer extent of the criticism, one is in danger of not seeing the impact that runs from the beginning to the end of the story.

In the earlier stages, the report is telling when it looks at the report prepared by Brian Gent, deputy head of banking supervision, who argued strongly for the bank's location within the United Kingdom so that it could be dealt with properly by United Kingdom regulatory authorities, and dismisses the feasibility of any form of regulation not rooted in that. Paragraph 2.38 of the Bingham report says:

"This paper provoked no action."

It was some time before it provoked real action, and there was much argument within the Bank. When other restructuring proposals based on a revised version of that paper were eventually put to BCCI with the authority of the Governor—by that time the present Governor had taken over—far from insisting that its wishes be carried out in the traditional way, the Bank

"fell at the first fence".

As the hon. Member for Edinburgh, Central (Mr. Darling) said, the Bank appeared to be a soft touch. The story is repeated time and again in the report.

"Supervisors tended to lose sight of their primary duty to protect the bank's UK depositors. There was a lack of interest in establishing the truth."

Paragraph 2.120 says:

"the Bank's response was so off-hand as to suggest a lack of interest".

Paragraph 2.161 says that, after the Tampa court case,

"the Bank showed a very marked lack of curiosity."

Paragraph 162 says:

"A rigorous supervisor would have wished to know the answer."

The report also says:

"We find that in August 1990 Mr. Quinn and Mr. Barnes were unaware of the serious doubts thrown by Price Waterhouse on the integrity of the bank's most senior management."

They were unaware because they had not properly read documents in the Bank's possession at the time. Paragraph 2.257 says:

"I find it hard to understand why the fitness and properness aspects of this report"—

Bingham was referring to the Price Waterhouse 1990 report—

"made so little impact on the minds of those who read it in the Bank."

Paragraph 2.406 says:

"I have much more difficulty . . . in understanding the Bank's failure even to try to explore whether the allegations were true or not."

Later in the report there appears the statement that some people in the Bank were reluctant to believe ill of BCCI—a banking institution which had, by that time, acquired a reputation, almost throughout the markets, as being at least questionable.

The total of criticism is massive. Why, then, do the Government seek to understate it? In the Economic Secretary's opening remarks today there seemed to be a deliberate understatement of the seriousness of the criticisms levelled against the Bank. The conclusion that people will draw from the understatement of the Bank's failings is that the Government are worried about the compensation aspect and do not want the failings to be stated too highly because that would strengthen the compensation case. The Government must dismiss that thought from their minds. The case for compensation will be argued on its merits. For the general good of our banking system, the Government must not ignore the scale of criticism in the report.

When the Economic Secretary talks, as the Governor did, about the duty to depositors, he seems to refer only to existing depositors. In all those circumstances there are potential depositors. Throughout the history of the BCCI case, those least protected were the people on the threshold of the bank, about to place deposits without the knowledge of what was known within the Bank of England and elsewhere. Banking regulators must have regard to the fact that on them rests the confidence and assurance of people who are about to place money with a bank which they assume has a supervisory or regulatory safeguard.

On compensation, reference has already been made to what the Chancellor said about blame being the basis for compensation and to what the Treasury Select Committee said about the case for compensation being dependent upon their being some failing in the exercise of supervisory duties. The Government must now consider that much more carefully than they have done so far. Legal action cannot be taken against the bank, as it could be taken against the financial advisors in the Barlow Clowes case for instance. There can be no recourse to the ombudsman. In the Barlow Clowes case, recourse to the ombudsman brought out a clear argument for compensation without regard to the possibility that legal redress might also produce compensation. The ombudsman was not deterred from recommending compensation by the possibility that investors could have got some of their money back by other means. The same applies to the bank deposit scheme. The fact that such a scheme exists does not remove the case for compensation.

[Mr. A. J. Beith]

I accept that 100 per cent. compensation has serious problems and I do not argue that case. However, failure to carry out supervisory duties generates a requirement for compensation and it is a matter of judgment what that level of compensation should be and how much regard should be had to what depositors will be able to obtain through other proceedings. If nothing is done, where is the discipline on the banking regulation system? Nobody resigns and nobody pays compensation, so what does it matter for those involved in it whether the banking regulation system works in the future? All that is at stake is that they do not lose their good name and are not subject to the criticisms contained in the Bingham report. If that is the only safeguard, it is clearly inadequate.

Mr. David Shaw: I understand the line which the hon. Gentleman has taken but it is only fair that he should answer the question. The part of the report which he quoted refers to Price Waterhouse information that was available only on 3 October 1990. That was only seven or eight months before the closure took place. Surely that report led to the closure and, even if closure had taken place slightly earlier, most if not all the money would still have been lost.

Mr. Beith: The failings which Bingham enumerates run through the whole history, from the earliest decision not to insist that the bank would not be authorised if it did not locate in the United Kingdom. That early key decision could have avoided far more of the losses. Failings exist at every stage and the case for compensation is therefore generated by failings that go back throughout the history of the matter.

If no one resigns when something goes as badly wrong as that, what discipline is there in the system? If no one takes responsibility to the extent of suffering the personal loss of resignation, where is the pressure, and where is the integrity of the system? There is a general feeling among the public that someone should go—whether it be the Governor or some of the senior officials most closely involved. When that does not happen, it weakens the system and the potential for future protection.

I do not wish to take up too much time or dwell on the many sensible and constructive changes made by the bank following the recommendations of the Select Committee and the Bingham report, so I shall come to my final point. It relates to what the right hon. Member for Worthing said about the future responsibility for banking supervision and the Bank of England's future position. I press the same point as he did for further consideration.

There is a strong case for separating the ultimate responsibility for bank regulation from the conduct of monetary policy. We have got it the wrong way round in this country. The central Bank exercises a largely independent responsibility for banking supervision but is totally subservient to the Government on the matter of conducting monetary policy—the reverse of what should happen. There is a stronger case for closer accountability for banking supervision than for independence in monetary policy. There is a risk that the Bank's role in monetary policy, especially if it is more independent—as it must be under stage 2 of the European monetary system—could well be hampered by events such as that relating to BCCI and any that might occur in future.

A bank will occasionally slip through even the best operated regulatory system, and its failure will cause problems. Even if all our best hopes for banking regulation are carried out, at some future time the central Bank may have another problem on its hands, which will cast doubt on its competence in the monetary sector, even if irrelevantly.

There is an argument for separating the two aspects. The Germans have an organisation located in Berlin—not even the banking centre—with responsibility for supervising the pursuit and prosecution of bank failings. That organisation draws heavily on the Bundesbank for guidance on what is happening in the banking sector, which would clearly have to be the case.

The Bank of England's day-to-day work involvement in the banking sector would always give it a role. In Germany, ultimate responsibility lies with the Bundesaufsichtsamt für das Kreditwesen. I hope that we can think of a more catchy title if we devise such an institution in this country. The Government should look at the case for the separation of responsibilities, just as they should consider the argument for a more independent central Bank. I know that the Economic Secretary has much sympathy with that argument.

The central Bank in this country—an institution that has served us well for many years—is presently deeply harmed by a series of well-founded and justified criticism to which there has been no adequate response by those with responsibility who were in control at the time.

11.35 am

Mr. Roy Thomason (Bromsgrove): The debate seems to have been dominated by those who, with the benefit of hindsight, criticise those who were in the front line at a difficult time. We must draw back a little, stop and recall some of the actions taken by the Bank when it became conscious of some of the difficulties surrounding the organisation.

In October 1988, when the potential Tampa prosecutions came to light, involving people who were not from the bank operating in this country but from a sister organisation abroad, the Bank of England introduced clear scrutiny arrangements. Every week it held meetings with the management of the bank here, and considered its statistics, liquidity and balance sheet. That does not constitute the degree of negligence suggested by some hon. Members in today's debate.

Paragraph 2.3 of the Bingham report states:

"The systematic frauds now thought to have been practised in BCCI were on a scale which had never been known before. It would, until the later stages of the story, have required considerable imagination to suppose that fraud was being practised on anything approaching the scale which has now been revealed."

Those remarks do not demonstrate a negligence or disregard for the interests of depositors and shareholders that some people have implied existed in the Bank.

I am following others when I refer to parts of the report which state, as at paragraph 2.283, that Bingham makes it clear that the bank's conduct was skilful and professional in the period from January 1990 to its closure in July 1991. Therefore, there is also a story of the bank operating properly and carefully.

Every crime is wicked, and the one that we are discussing constitutes a particularly vigorous series of

attacks on the small as well as the larger investors and shareholders, and others. It is understandable that people wish to see compensation paid to those who have lost out.

Earlier contributions to the debate suggested that full compensation was not being sought. It appears that the conduct of the Governor of the Bank of England is being called into question. That is rather like someone expecting a policeman to stand on the corner of every street where mugging might occur and, when it does, complaining that a police constable was not present, and calling for the resignation of the Chief Constable.

Mr. Macdonald: Surely the whole point is not the effect of the fraud, which of course no one could imagine before, but the fact that the structure was such as to allow fraud to take place. As Bingham said, the Bank failed to regulate BCCI effectively and give it a different structure that would have made such fraud impossible. The hon. Gentleman referred to paragraph 2.283—

Mr. Deputy Speaker: Order. The hon. Gentleman is making long interventions this morning, and I believe that he is hoping to catch my eye.

Mr. Thomason: Thank you, Mr. Deputy Speaker.

Of course, we can all be wise now and criticise the opaque structure of the bank. We can say that the fact that it was operating here although registered in Luxembourg should have alerted us to take action. We could just as well say that there should be a police constable on the corner of the road where the old lady was attacked. After the event we can all speculate about what might have been, but we can rarely be so precise about the nature of the problems that we can take action to deal with them. That is what some hon. Members present today seem to want.

The closure of a bank or even the threat of an in-depth investigation of a bank is most serious action for the Bank of England to take. It is almost being suggested that the Bank of England officials get up in the morning, go to the office, decide whether to have tea or coffee, then decide whether to investigate a bank in depth. The system cannot work like that—there are serious issues to be addressed. The confidence required of any bank is such that to avoid a run on it officials cannot lightly take action that would prejudice its existence. They have a duty to the depositors and employees of the bank not to threaten their livelihoods, as well as not to threaten shareholders' investments. Any action by the Bank of England or any other regulatory authority with regard to other financial institutions must be exercised with the utmost sensitivity. Some hon. Members seem to be suggesting that the sensitivity of hobnailed boots is required.

It has been said that the number seeking compensation will be substantially fewer than the number of accounts. I must draw attention to an important distinction. My right hon. Friend the Member for Worthing (Mr. Higgins), who gave an excellent appraisal of the position as one would expect of him, perhaps overlooked the fact that while there may be 42,000 accounts, groups of them will be in the name of one investor. Therefore, the total number of compensation claims might well be fewer than 42,000, or might be nearer to the total number of alleged losses. That is a minor point of correction. The key aspect is that the issue cannot be taken as lightly as some hon. Members appear to think appropriate.

11.39 am

Mr. Keith Vaz (Leicester, East): I welcome this debate and the publication of the excellent report. My only regret this morning is that the Chancellor of the Exchequer is not present to open for the Government, although I am glad to see the Economic Secretary here.

There has never been a scandal like BCCI. If it had been a work of fiction, we should have thought it bizarre. However, I have never regarded BCCI as merely a financial scandal; I have always seen it as a human tragedy. The lives of hundreds of thousands of individuals, their families and their businesses throughout the world have been terribly affected by the closure of BCCI by the Bank of England. It has had catastrophic social and economic consequences. That is why a year and three months ago, when BCCI was closed, the House demanded an inquiry.

In welcoming the debate and the report, we must recall that the Government and the Governor of the Bank of England initially refused the inquiry. Some 12 hours before the Chancellor announced the inquiry to the House, the Governor told a group of Conservative Members that there was no need for any inquiry. He has been proved, yet again, to be hopelessly wrong.

The Bingham report is a horrifying indictment of the role of the Bank of England. For any regulator to be called "deficient" and for its operations to be called a "tragedy of errors" should be enough to prompt the head of the organisation in honour to resign. Wednesday's fumbling performance by the Governor of the Bank of England before the Treasury Select Committee should have been the final straw. Three members of the Committee either called for or invited his resignation.

Two weeks ago, even the *Evening Standard*, not known for its radical instincts, joined the chorus. Its headline was, "Go Governor". Someone must take the buck and the buck stops with the Governor. The report has made the Bank of England the laughing stock of all the financial institutions in the world.

A year ago, Ministers could not believe that the Bank could have done any wrong. The Chancellor said on 19 July:

"I should like to make it plain that the establishment of the inquiry is not to be taken as a criticism of the Bank of England . . . I have repeatedly said that I am confident that the inquiry will find that the Bank of England discharged its duties in this matter competently and expeditiously."

The Economic Secretary, as I reminded him, said:

"Many of us are confident that it will show beyond any question of doubt that the Government and the Bank of England acted wholly in a timely and proper fashion."—[*Official Report*, 19 July 1991; Vol. 195, c. 715-25.]

On 22 July, even the Prime Minister said:

"The moment that there was evidence of fraud, the Bank of England acted very promptly and so did the Government."—[*Official Report*, 22 July 1991; Vol. 195, c. 759.]

The Prime Minister, the Chancellor and the Economic Secretary exonerated the Bank even before Lord Bingham had begun his deliberations.

The publication of the Bingham report marks a watershed in the campaign for compensation for the victims of BCCI. It has been an astonishing campaign. It is the human consequences, not the fabulous statistics, which have moved me and which would have moved any hon. Member if he had seen what I have seen.

I met a widow in Hong Kong who put her weekly income into BCCI. She lived in a tenement block with her

[Mr. Keith Vaz]

two young children. After the closure, she could not afford to pay the rent and she was forced out of her home. I met 400 pensioners living in Gibraltar who had put their life savings into BCCI. I also met a man who, the week before, had won the Spanish lottery and who had put all his winnings into BCCI. All was lost when the bank was closed.

I have met people in Manchester, Bradford, Birmingham, Leeds, Sheffield, Bristol, Glasgow and other towns and cities in Britain. I have had 1,567 letters from 70 countries from people who deposited money with BCCI. Every one of them was in a state of shock after the closure. Every one of them had relied on the good name of the Bank of England.

I went to the Western Isles at the invitation of my hon. Friend the Member for Western Isles (Mr. Macdonald), who is present today, and of the trades council. I saw the projects that may have to close if compensation is not paid. Some 30 local authorities lost £81.8 million in BCCI, ranging from the northernmost part of Scotland through to Lisburn in Northern Ireland and down to Tory Guildford in Surrey.

In its response yesterday to the Treasury Select Committee, the Bank of England agreed to produce a health warning on its list of authorised institutions—the report was put very late into the Vote Office—which is another sign that the Bank had got it wrong when the report was initially commissioned.

Throughout the year, the campaign has been sustained by the work of the ex-employees of BCCI, some of the finest people whom I have ever met and many of whom are here today. The ex-employees of BCCI want an apology from the Governor for his statement that they were somehow responsible for the fraud. They were not part of what the Governor described as the “criminal culture”, but, because of what he said, they cannot find jobs. A survey of 1,200 ex-employees of BCCI shows that families have been torn apart. There have been heart attacks, illnesses, nervous breakdowns and even a suicide. The ex-employees have collectively made more than 20,000 applications for jobs.

The publication of the report makes the case for compensation for the victims of BCCI, for the depositors, for the creditors, for the local authorities and for the staff, unanswerable. I rely on just two statements, to which other hon. Members have referred.

The first statement, by the Chancellor of the Exchequer on 19 July 1991, has been mentioned by my hon. Friend the Member for Edinburgh, Central (Mr. Darling). The Chancellor said that he would “consider the position” for compensation if any blame “applied to the authorities”. He then said:

“Plainly, we would then have to reconsider the matter, as happened with the case of Barlow Clowes.”—[*Official Report*, 19 July 1991; Vol. 195, c. 722.]

In its excellent report of 16 December 1991 at paragraph 76, the Treasury Select Committee made it clear that if there was a breach of statutory duty or supervisory duty, the losses incurred by local authorities should not be met by the local authorities or by their community charge payers.

Some 156 right hon. and hon. Members of all political parties have signed early-day motion 679 which calls for compensation. That is almost one third of all hon.

Members who are eligible to sign such motions. The signatories include representatives of all the parties, such as the hon. Member for Moray (Mrs. Ewing), who represents the Scottish National party, the leader of the Ulster Unionist party, the right hon. Member for Lagan Valley (Mr. Molyneux), the president of Plaid Cymru, the hon. Member for Caernarfon (Mr. Wigley), the right hon. Member for Brent, North (Sir R. Boyson), a former Conservative Minister who, as I am sure the Minister will recall, because I saw his joyous mood on Wednesday night, saved the Government, and the deputy leader of the Liberal Democrats, the right hon. Member for Berwick-upon-Tweed (Mr. Beith), who also saved the Government on Wednesday. In view of the involvement of those two right hon. Members, I hope that the Chancellor and the Economic Secretary will look favourably on the campaign. I am not saying that those two votes were worth £6 billion, but I hope that the Economic Secretary will consider the case for compensation favourably because of the involvement of those two right hon. Members.

The Chancellor told me and the right hon. Member for Brent, North, when we went to see him last week—the Economic Secretary has repeated the point today—that he had considered the question of compensation and had concluded that he would not pay it, first, because Bingham did not recommend it and, secondly, because he did not conclude that things would definitely have been different if the Bank of England had not made mistakes.

I make several points in response to that. First, Lord Justice Bingham was not asked in his terms of reference to consider compensation. Secondly, there are many precedents that could be used. The Barlow Clowes case, to which the Chancellor referred, is a useful and acceptable precedent. The Chancellor should recall the statement made by his former colleague Lord Young, when he was Secretary of State for Trade and Industry, in response to calls to the Government for compensation. Like the Bingham report, the Barlow Clowes report was silent on the question of compensation. In fact, that report was not as strong as the Bingham report because it did not apportion blame.

On 20 October 1988, Lord Young said:

“The facts set out in Sir Godfray’s report in the Government’s view provide no grounds for concluding that my department’s handling of the matter was unreasonable . . . and therefore provide no justification for using taxpayers’ money to fund compensation.”—[*Official Report*, House of Lords, 20 October 1988; Vol. 500, c. 1259.]

Using different language, that is precisely what the Chancellor said about compensation for BCCI. What happened? In agreeing to pay compensation after the second report, the next Secretary of State said:

“The regulatory machinery was inadequate. It is also true that a large number of investors, many of them elderly, have suffered hardship. They were led to believe that their investment was safer than it was.”

By the use of a discretionary payment, victims of Barlow Clowes who had lost less than £50,000 were compensated for up to 90 per cent. of their loss. Those who lost less than £100,000 got 80 per cent. back and those who lost more than £100,000 got 60 per cent. back.

The Minister will recall that this year Lord Young admitted that at the time of the Barlow Clowes collapse the Government were reluctant to admit responsibility because of their concern about setting a precedent. As with Barlow Clowes so with BCCI, because the cases are strikingly similar. In the Johnson Matthey case

compensation was paid and, as the Governor of the Bank of England told the Treasury Committee on Wednesday, "every penny recovered".

In the Maxwell pension fund case the Government have used a discretionary payment to make grants of over £1 million to eight pension schemes and interest-free loans of £100 million. The campaign for more compensation goes on. The hon. Member for Dover (Mr. Shaw) is involved in that case.

When the right hon. Member for Brent, North and I met the Chancellor and the Economic Secretary last week the right hon. Member told them that there was a perception that the Government were being unfair and discriminatory. I hope that in his winding-up speech the Economic Secretary will refute those allegations and show why there is to be a difference between the two cases. I am heartened by the statement by the hon. Member for Durham, North (Mr. Radice), a senior and respected member of the Select Committee, that he believes that compensation should be paid. Will the Minister answer the question put to him earlier? If the Treasury Select Committee makes a recommendation for compensation will the Government pay it?

Compensation should mean full compensation for the depositors, creditors and ex-employees of BCCI. I put to the Economic Secretary a list of proposals which I think could help resolve these matters before the question of compensation is finally resolved by the Government. First, the Chancellor should examine representations for compensation from the affected groups. As I have said, I do not think that it will be as much as £6 billion, because the number of claimants will be considerably less than the current number of customers, which is about 285,000. As he said, there has already been a 50 per cent. under-claim on the deposit protection scheme.

Secondly, a committee should be established with representatives from the Department of Trade and Industry, the Treasury and the Foreign and Commonwealth Office to oversee the rapid conclusion of this problem and the co-ordination of Government activities.

Thirdly, the Department of Trade and Industry should be asked to act on the representations to it by creditors and staff about the way in which the liquidation is proceeding. I understand that the liquidators are currently claiming fees of between £1 million and £2 million a week. When creditors write to the liquidators asking how much money they are taking they are told virtually to get lost.

According to the liquidators' report, at the time of closure the total assets of the bank were \$16 billion, including \$3 billion in cash and due from other banks. According to Lord Justice Bingham, one of the reasons why the Bank of England did not tell Abu Dhabi about the closure was that it wanted the assets preserved and was concerned that, if given advance notice, Abu Dhabi might withdraw or disperse those assets. Where are those assets? In his evidence to the Select Committee last year when pressed on the position of United Kingdom branches, the Governor of the Bank of England said:

"We do believe that the branches may be asset surplus." I ask again: where is the money, what has happened to it since the bank closed? Nothing has been realised and nothing has been paid out.

As the House knows, the liquidators were appointed by a fax sent by the Secretary of State for Trade and Industry on the undertaking that a meeting of creditors would be

held within three months. No such meeting has taken place. It is no good the liquidators chasing the small customers in Britain. They should chase the big borrowers whose loans are parked in the Grand Cayman islands, because they are the people who can give back the kind of money that the depositors need. Why are the liquidators not returning to the staff the \$150 million taken by the bank from the staff benefit fund?

Last week I asked the President of the Board of Trade to produce a list of the liquidators' costs and information about some written-off loans. I asked those questions because I had asked Mr. Desmond Flynn, one of the President's senior officials, to produce this information. In front of five other people Mr. Flynn produced a file and said that because of the powers conferred on him by the Insolvency Act 1986 and because there has not been a creditors meeting, the Secretary of State has to approve all the write-off of these loans. Why is that information not made available to all hon. Members?

The first scandal in BCCI was the fraudsters profiting from the misery of ordinary people because the Bank of England failed in its duty to protect them. The second scandal will be the liquidators becoming rich on the victims' money while the Government stand by and watch. I say to the Minister, as I said to the Chancellor last week, that in a year we shall be here again debating another inquiry into the way in which the liquidation has been conducted. That is why the DTI must hold an inquiry now into the liquidation.

Fourthly, the Prime Minister should approach the Sheikh of Abu Dhabi, because it is clear that the Sheikh owns the whole bank. There is no question of his being the majority shareholder. In the light of the Bingham report, the Government owe the Sheikh an apology. When that apology has been given he should be asked in the gentlest, kindest and politest way through diplomatic channels to see whether his contribution can be increased. As the owner of the bank he has a moral obligation to increase the amount available for compensation.

The Minister said that the Sheikh was giving \$1.7 billion, but what does he get back? He gets \$4 billion in promissory notes and the right to chase the big borrowers in the Grand Cayman islands. That means that any money realised after the agreement will go to the Sheikh of Abu Dhabi. At the end of next year the depositors will receive only 10 per cent.—not 30 or 40 per cent.—of their money back and they have no timetable for payment of the rest of the money because the liquidators refuse to state the timetable.

An approach must be made to Abu Dhabi as quickly as possible, especially now that an appeal has been lodged. I suggested to the Economic Secretary the name of a person who would be a good go-between who has the confidence of both sides.

This morning I received a cheque in the post. Initially I thought that it was a payoff inviting me not to continue my campaign but it was a copy of a cheque for \$2.5 million. It was drawn on a private Swiss bank account and signed by the founder of BCCI, Abu Hassan Abiedi, and payable to his excellency Mr. Ghanzim Mazrui, chief of staff of the Sheikh of Abu Dhabi. I realise that Mr. Mazrui is an important man and that, with all the current important negotiations, we cannot offend him. However, it is plain that in his evidence to the Select Committee last year the Governor of the Bank of England realised that

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members of the household who are close to the owner of the bank received some payment. It is important to clear that up and that is why the Sheikh should be approached.

Finally, the Serious Fraud Office should be allowed to interview those responsible. One of them who has been held in detention since last year died this week while in Abu Dhabi. These people are British citizens who could not only help in discovering the truth about what happened but could assist the liquidators by disclosing the location of the assets.

When I returned from Karachi in May I passed information to the Solicitor-General and invited him to ask the Serious Fraud Office to go to Karachi to interview people who wanted to give evidence but who, for a variety of reasons, were unable to come here. I hope that the Economic Secretary will pursue this matter to make sure that this information is made readily available, especially if the liquidators say that they cannot find some of the assets. If that is not done then, as in the case of the gentleman who unfortunately died this week, those people will be unable to help the SFO in its inquiries.

The solution to this terrible tragedy lies with the Government. The Prime Minister and the Chancellor were told what was to happen a week before the bank closed. Lord Justice Bingham, our most senior civil law judge, has found the Bank of England to be at fault. On Wednesday, the Governor, during one of his better moments, talked about the need for natural justice. Here is a case for natural justice.

Perhaps I am old-fashioned, but I believe that people and organisations should pay for their mistakes. The cost of the Bank of England's tragedy of errors is being paid every day and every hour by the victims of BCCI. When citizens place money in banks, they do so in good faith, believing that they are being properly supervised. BCCI was owned by one of the richest men in the world and supervised by one of its greatest financial institutions. Why on earth should people have doubted its integrity?

At the end of the Committee meeting on Wednesday, this exchange took place between my hon. Friend the Member for Durham, North and the Governor. My hon. Friend asked:

"Do you have any regret for what happened?"

The Governor replied:

"I have great regret that enormous amounts of money like this have been lost, yes.

But do you feel that you have any responsibility?

I cannot accept absolute responsibility. Banking is a risky business."

In a democratic society, with power goes responsibility. There must be responsibility for both action and lack of action. With the failure of responsibility goes the duty to compensate those who have suffered. At paragraph 2.23 Bingham talks about the Bank's "duty to the depositors" overriding all other considerations. I agree.

Next week, one of the depositors of BCCI, a middle-aged woman who lives in Herne Hill, London, and who has lost everything she ever possessed in the closure of BCCI, will begin a hunger strike. I beg the Government not to draw out the suffering of these unfortunate victims in the way that they did over Barlow Clowes. I beg them not to push these people to the margins of their sanity. Repenting years later, as Lord Young did, cannot help victims now.

The Chancellor should accept his responsibility and stand by his commitments to the House. He must pay for the Bank's mistakes by paying compensation in full to those affected. If he refuses to do so, he will be impeaching the good name of this country, damaging the name of the City as a major financial centre and blighting a whole section of our community.

I can assure him that the campaign will go on and on until every penny is returned and every person, no matter how powerful or important, is brought to account, and justice is done.

12.2 pm

Mr. John Greenway (Ryedale): It is a pleasure to follow the hon. Member for Leicester, East (Mr. Vaz), because it gives me the opportunity to be the first to congratulate him on the role that he has played in following up the BCCI scandal. Those of us who have been here today to listen to his speech already knew how much work he had done, but the common touch that he demonstrated this morning as he showed the House this scandal has affected the lives of many ordinary people speaks for itself. I compliment him on that.

I wish that I could support the hon. Gentleman's call for compensation, for which he made a compelling case. However, there is a fundamental difference between the Barlow Clowes and BCCI cases. In the former, the ombudsman found negligence on the part of officials of the Department of Trade and Industry, but there is no finding of negligence in the Bingham report. I accept that it is not an ombudsman's report, but, if anything, it is even more thorough than the report on Barlow Clowes. That is where the line needs to be drawn. However compelling the case made by the hon. Member for Leicester, East, and however we all, in our hearts, would like to support that claim, if there is no finding of negligence, we are in some difficulty.

Equally, given that any compensation would come from the public purse, it is important to look at what Sir Thomas Bingham says about the role of officials and Ministers in the Treasury. He is specific on that, but he makes no criticism of them. There is some criticism of Price Waterhouse. Again, those criticisms are not sufficient to lead to calls for the resignation of the Governor of the Bank of England. Even if Sir Robin Leigh-Pemberton were to resign, those who might have been responsible for some of the events, perhaps for the lack of supervision to which Sir Thomas Bingham refers, would still be in place.

Mr. Beith: Perhaps they should go.

Mr. Greenway: I understand the right hon. Gentleman's point, but if I remember correctly what I read in the report, Sir Thomas Bingham does not criticise or highlight individuals in such a way as to make it necessary for anyone to resign. I do not feel that the Governor should resign. The Bank has not been shown to be negligent. What the report demonstrates—this is what we have to conclude today—is that it was not the acts or omissions of the Bank of England that caused the loss: it was the unprecedented scale of the fraud carried out by those responsible for running BCCI. They must be called to account.

Mr. Wilson: Behind the guise of his doubtless genuine concern, the hon. Gentleman is saying that nobody was responsible and that Sir Thomas Bingham has said that nobody was responsible. However, the report says:

"the Bank's supervisory approach to BCCI was in my opinion deficient."

Does that apply only to vague and intangible institutions and not to the efforts of the people involved, from the Governor of the Bank of England downwards?

Mr. Greenway: The hon. Gentleman should bear in mind the fact that Sir Thomas Bingham also says that these criticisms are being made with the benefit of hindsight, and that nobody could possibly have been expected to anticipate the scale of fraud that was perpetrated by those responsible for running BCCI.

We should accept Bingham's findings. There is no justification for questioning his judgment or his conclusions, or the facts revealed by the inquiry, which, in any event, are similar to the conclusions reached by the Treasury and Civil Service Select Committee. The role for the House is to concentrate on the measures needed to strengthen the arrangements for supervision.

I welcome the comments about that by the Minister. He is right to conclude that some of these changes, particularly in relation to the role, duties and responsibilities of auditors, should apply right across the financial services sector, including insurance, the subject on which I wish to concentrate.

In doing so, I declare some interests. I have been involved in the financial services industry for almost 23 years. I am a director of a firm of insurance brokers, and I am an elected member of the Insurance Brokers Registration Council. I advise the Institute of Insurance Brokers. All these bodies will be greatly affected by what the Minister said about putting the role of auditors on a statutory footing. That is the key recommendation of Bingham, and the key point of the Government's plans for change.

The key is to end the uncertainty about how far an auditor can and should go in taking action to the detriment of the client, which undermines the auditor-client relationship. I am not an accountant, but I can understand the difficulty that Price Waterhouse faced in dealing with its responsibilities. To clear the uncertainty once and for all by means of the Minister's proposal is undoubtedly the right way forward. I hope that the House will welcome that course, and will welcome statutory clarification.

I said to my hon. Friend the Minister in an intervention that the practical effect of his legislative proposal is to a large extent the basis on which the Insurance Brokers Registration Council regulates insurance brokers. I shall remind the House of the provisions of the Insurance Brokers Registration Act 1977. Effectively, all insurance brokers are required to submit their audited accounts for the year end within six months of that year end. Accompanying them must be a declaration from the auditor about the way in which policyholders' moneys have been looked after and the solvency margins of the firm. These requirements have statutory force. I know from my own experience how seriously auditors take their responsibility in ensuring that the registration council receives exactly right detail and advice in relation to the management of the firm.

I remind the Minister, that if an insurance broker fails to discharge his responsibilities within the mechanism I have described, the registration council is required to take disciplinary action against the firm. That would almost certainly lead to the firm being struck off the register of insurance brokers.

For many years, I have wanted these statutory requirements to be extended to cover the entire insurance and financial services sector. Intermediaries are affected, whether they are independent or dependent on or tied to one insurer. The far-reaching proposal that has been made as a result of the Bingham report should be set in the context of developments within the financial services sector to which the hon. Member for Edinburgh, Central (Mr. Darling) referred.

My right hon. Friend the Chancellor of the Exchequer asked the Securities and Investments Board in July to undertake a review of the Financial Services Act 1986. An agenda has been set out, and one which is apposite to this debate. One of the regulatory responsibilities of SIB—Andrew Large, its chairman, has put it on the agenda—is whether the balance or interaction between investor protection and caveat emptor is understood or appropriate. That question goes to the heart of the BCCI difficulty and the difficulty of compensation.

When we were faced with the Barlow Clowes scandal, the feeling emerged that, if the Government put in place a regulatory framework for financial services and that framework is deficient in some way and found wanting, that is the Government's fault, and compensation should be paid.

The other side of the argument—the Minister outlined it at the end of his speech—is that every individual must take proper advice and, more than that, ensure that the company, bank or institution in which he is investing his money is sound and properly managed. In the SIB, review we need to examine the boundaries of the two conflicting arguments to ascertain whether the balance is right, and on that basis to see what needs to be done in terms of investor compensation.

The SIB regulatory responsibility review will be concluded in March or April 1993. There will have been responses from the entire financial services industry. I warn the Minister that he is likely to find some pretty negative answers to some of the questions. For example, are the objectives that lie behind the Financial Services Act 1986 understood and appropriate? I am sure that they are not understood by the majority of the British people. They may be understood by those who work in the financial services industry, but ordinary investors do not have an understanding of them.

Let us consider the likely changes in the regulatory structure. The hon. Member for Edinburgh, Central talked about the prospect of a new self-regulatory organisation, the Personal Investment Authority. That interacts with a further development, which is the European Community's recommendation that there should be regulation of insurance intermediaries.

If we are to have a statutory duty imposed on auditors and that is to apply to intermediaries, it must apply to those in the financial services sector as well as to those in the insurance sector. I have already said that those who are registered brokers already effectively have to comply with the statutory requirement to make available their accounts and show their solvency. Under the Financial Services Act, all intermediaries must be regulated.

[Mr. Greenway]

However, intermediaries who do not transact investment business are not properly regulated at present. The EC recommendation that genuine insurance intermediaries should be regulated provides us with an opportunity.

I accept that responsibility lies with the Department of Trade and Industry and not with the Minister. Nevertheless, I hope that he will recognise the logic of ensuring that insurance intermediaries are regulated. I can say from my experience as a member of the registration council that it fulfils its task with great professionalism and great thoroughness.

If that regulation were to apply to all intermediaries, I do not believe that there would be anything like as much concern that there are regulatory gaps that need to be closed. There are gaps, but scandals would not emerge, with policyholders and investors losing their funds, if there were the regulation which I am advocating. I ask for my hon. Friend's support. A consultation paper will be issued shortly that will seek responses to the general proposition that I have outlined.

These matters have a strong bearing on what should happen in financial service regulation as well. Under the Insurance Brokers Registration Act 1977, the council has responsibility for regulating insurance brokers when they mediate in insurance. If that function is extended to all intermediaries who mediate in insurance, those who mediate in investments, which include life assurance, must come within the scope of the registration council's responsibilities.

To put the matter simply, many independent financial advisers who transact insurance business as part of their day-to-day work would come within the scope of any compulsory registration of intermediaries on the registration council. That must follow.

Equally, it must follow that, as the registration council is carrying out supervision under the Financial Services Act entirely to the satisfaction of the SIB—it is currently authorised as a recognised professional body—we must question whether we need to adhere to the 49 per cent. threshold, or whether that can be removed on the basis that the registration council regulates all intermediaries—subject to one caveat to which I shall come.

That would apply to all intermediaries, be they insurance brokers or whatever else they call themselves. They would be regulated to the same high standard that applies to insurance brokers. The regulation would cover all insurance services, and would be carried out under the terms of the Financial Services Act.

That must make sense, but I will enter one caveat. Many intermediaries advise clients to make investments that are not insurance investments—unit trusts, PEPs, and so on—and such firms would have to be regulated by the new personal investment authority. The Minister will find that the insurance broking profession will give general support to that overall concept, subject to some conditions.

One is that PIA membership should not automatically be granted to firms currently regulated by FIMBRA and LAUTRO, but that a fresh application should be made with a view to re-examining advisers. The Minister will not be surprised to learn that insurance intermediaries will also want polarisation maintained, and a single public register

established and maintained by any new regulator such as the PIA, with sections for product providers, and intermediaries.

A clear distinction should be drawn between intermediaries who are dependent and those who are independent. If the statutory basis of the declaration by auditors is to be made compulsory across the board, it is no use applying that practice only to independent advisers. Bad advice and the risk of investors losing life savings is more of a problem in the tied than in the independent sector. Authorised representatives often run firms independent of the product provider—but because they have only one agency, they are tied agents and are regulated not by FIMBRA but by LAUTRO. They would have to be regulated by the PIA.

Any declaration by auditors relating to solvency and accounts must apply to such firms as well. It follows that the solvency margins imposed now on insurance brokers—and soon, hopefully, on the entire independent sector—must apply to independent firms that are effectively dependent on one product provider. I am sure that the Minister acknowledges that important point. Unless that is done, there will be no proper polarisation or level playing field, as between the two sides of the industry.

It is crucial also that all advisers have professional indemnity insurance, because that is the best way initially of providing adequate protection for investors. That must be a requirement of the new PIA.

The Minister knows that there is much discussion in the financial services industry about those key points. He was absolutely right to outline the basic principles of best advice. I look forward to reading his five golden rules in *Hansard*, to see whether he missed anything out. If investors are not to put all their eggs in one basket but are to approach a number of different outlets and sources of advice, it is crucial that all are soundly based, secure, and fit and proper.

It was the fitness and properness of BCCI as a bank that gave rise to the problem—the Bank of England was examining BCCI's solvency, whereas we require fitness and properness. If the House genuinely wants to protect investors, nothing less will do.

12.24 pm

Mr. Calum Macdonald (Western Isles): I wonder whether the Minister has the courage to visit the widow in Hong Kong described by my hon. Friend the Member for Leicester, East (Mr. Vaz) and tell her his five golden rules—particularly that about always being sure to hire an adviser. That kind of response is hardly adequate in dealing with the scale of disaster and failure represented by BCCI's collapse.

I add my congratulations to Lord Justice Bingham on producing an excellent, comprehensive, and clearly written report. It allows one to follow in detail the long, damning history of the Bank of England's errors and failures in supervising BCCI. The Bank repeatedly failed to understand the Banking Acts of 1987 and 1989 and the powers that were available to it. Time and time again, the Bank ignored warning signals and failed to act in the way that a supervisory body should have done.

As to the Bank of England's Governor, BCCI was surely a bungle too far. He has participated in the most humiliating devaluation since the war, presided over the biggest banking scandal in financial history, and

authorised the worst financial forecasts of any City institution. What more can he get wrong and still hang on to his position?

For a year, the ordinary people of the Western Isles and those throughout the country, who themselves carry no blame or responsibility for the BCCI, have had to bear the costs in cuts in services and extra local taxes—in effect, a Bank of England tax. The costs of the Bank's negligence should be carried by the Governor, who should resign, and by the Government, who should devise a scheme to provide fair and equal compensation for all who lost money or jobs.

The Government stick to the line that no negligence was shown in the Bingham report. When I wrote to the Chancellor of the Exchequer, he replied:

"my statements in July last year were about my willingness to reconsider the issue of compensation if evidence of negligence on the part of the supervisory authorities were to emerge. Lord Justice Bingham has found no such evidence."

That same argument has been used today by Conservative Members. In fact, the report plainly shows evidence of negligence. I wondered whether Lord Justice Bingham would agree with the Chancellor's interpretation, and that of the Minister. I therefore wrote to him, enclosing the Chancellor's letter. I wrote:

"Mr. Lamont makes the bald statement that you found no evidence of negligence on the part of the Bank of England in respect of its supervision of the Bank of Credit and Commerce International . . . I would be very grateful if you could tell me whether you agree with the Chancellor's assertion."

Lord Bingham replied:

"Thank you very much for your letter of 29 October 1992.

Having been appointed to inquire and report by the Chancellor of the Exchequer and the Governor of the Bank of England, and having delivered my report, I do not feel that it would be right for me to comment on the interpretation which either of them put on it.

I appreciate that the report, even without the appendices, is quite lengthy, but I did my best to make it clear and intelligible. It is not for me to say whether or not I succeeded. But I am afraid that the answer to your question must be found in the report."

The sphinx has spoken.

The main point in that letter is that, at the very least, it is not possible for the Minister and other Conservative Members to state categorically that Lord Bingham found no evidence of negligence. At the very least, they must admit that we are forced to draw that conclusion, having read the evidence presented in the report.

I do not believe that any reasonable person could read the report without concluding that the Bank of England was negligent in the execution of its duties. According to Bingham, right from the beginning—in 1979, when the Bank of England authorised BCCI to accept deposits—the Bank

"was not only entitled but obliged to refuse a licence".

That is in paragraph 2.30. The Bank was obliged to refuse a licence, but it went ahead and granted one. Surely that represents a gross failure to understand the powers available to it—and, indeed, required of it—under the Banking Act 1979. It also represents negligence.

Paragraph 2.46 of the report, and the paragraphs leading up to it, reveal what is perhaps one of the strangest episodes to feature in the whole affair. In 1982-83, the supervision department of the Bank of England concluded that BCCI must be incorporated in London if the Bank was to be able to regulate it effectively. A memorandum to that effect was sent to the Governor; he signed it, authorising the Bank's conclusion. The Bank then called in Mr. Abedi, who was interviewed by the director of

banking supervision and told that the Bank wished him to incorporate in London so that BCCI could be regulated more effectively. Apparently, Mr. Abedi threw a tantrum and walked out of the office. That was the end of the affair.

With, as usual, mild understatement, Lord Bingham says in paragraph 2.46 that the Bank was "rather easily deterred". It is astonishing that the Bank of England, with its worldwide reputation for being able to bring other institutions into line simply by raising an eyebrow, could drop a course of action authorised by the Governor himself, merely because the person required to take that course had thrown a tantrum and declined at the very first interview. Has the Chancellor, the Economic Secretary or anyone else asked the Governor why he did not pursue more effectively the policy that he himself had authorised and approved?

That bizarre episode was followed by something equally strange: a complete change of policy. From 1985 onwards, the Bank of England shied away from any suggestion that BCCI should be incorporated in London. It declined all such offers, performing a complete flip-flop. The report does not explain why that happened. There is no explanation for the change of view by the Bank of England. One wonders whether that has anything to do with the information contained in appendix 8 relating to the intelligence services, and whether some of the blank pages—the black holes of logic or causality in this whole affair—could be explained if we had access to appendix 8.

A number of points have been made by the Minister and Conservative Members to explain why the Bank of England failed to carry out its regulatory role. Reference has been made to the last 15 months of BCCI's life. Whether the bank was closed down earlier or later is not the point: the structural problem was there from the very beginning, and the Bank of England had reason to act about that problem from the very beginning. It was too late by the last 15 months of BCCI's life.

Reference has been made to the unpredictable scale of the fraud. Again, that is not the point. Nobody could have predicted the exact scale of the fraud. Lord Bingham's point is that that fraud was made possible by the opacity, the vagueness of the structure of BCCI, which made it impossible to regulate the bank effectively. The Bank of England's failure was to allow such a structure to exist. By allowing it to exist, the Bank enabled fraud to be committed.

Revocation is another red herring that has been drawn across the path of this whole affair. It has been said that the Bank of England could not possibly pull the plug on BCCI because of the catastrophic consequences that would flow from its closure. But revocation is not the point, either. Lord Bingham pointed out time and time again that the Bank of England has enormous powers to step in and exercise its influence, and that it clearly failed to do so in the case of the 1984 episode. One is therefore entitled to ask why the Bank of England did not exercise its influence.

Hon. Members have said that we see all this with the benefit of hindsight, but that is not what Lord Bingham says. Section 7 of his report covers the years from 1984 to 1986, well before BCCI's final collapse. In paragraph 2.57 of chapter 2, Lord Bingham describes the Bank's supervisory situation as highly unsatisfactory, adding: "as should have been obvious at the time."

[Mr. Calum Macdonald]

That is not with the benefit of hindsight. According to Lord Bingham, it should have been obvious at the time that this was highly unsatisfactory.

Lord Bingham went on to describe some of the Bank of England's responses. In paragraph 2.62, he says:

"making, as I hope, appropriate allowance for the benefit of hindsight, I cannot regard this as an adequate supervisory response."

It was an inadequate response, not with the benefit of hindsight but because of what was known at the time.

Lord Bingham refers in paragraph 2.66 to the Bank of England's failure to exercise its powers in an appropriate way and to exercise some formal control over the way the business was run:

"it is hard to think that SA in the summer of 1986 was not such a case"

as to deserve some formal control over the way the business was run. Inadequacy of supervision should have been obvious at the time to the Bank of England.

Lord Bingham concludes paragraph 2.67 with what I believe to be one of the most damning sentences in the whole report.

"I think the supervisors tended to lose sight of their primary duty to protect the bank's UK depositors. I do not think that in this instance the Bank measured up to its task." When the Bank of England loses sight of its primary duty to protect BCCI's United Kingdom depositors, the Bank of England is thereby negligent of its duties.

The case for compensation for local authorities is especially strong. The authorised list has been mentioned, but in order fully to understand its import, one must understand its origins. The Local Government and Housing Act 1989 specifically restricted local authority investments to "authorised" investments. Investments would have to be made with authorised institutions, which included banks authorised by the Bank of England.

Why was that done? For no good reason? No, it was done for a specific purpose: the Government's express intention to end imprudent investments and so safeguard local authority funds. That was made clear in the consultative paper on capital expenditure and finance published by the Department of the Environment in July 1988, before the Act went through Parliament.

In paragraphs 37 and 38 of that paper, the Department of the Environment said:

"it is . . . a matter for concern that some authorities appear to have used their funds to undertake speculative investments . . . the new system will, therefore, specify a list of approved investments."

In other words, the new system—the list—was intended to distinguish between speculative investments and non-speculative, presumably safer, investments.

Acting in that context, and according to those guidelines, local authorities throughout the country placed money with BCCI, which featured on the list of authorised institutions. To me that context is inescapable, and it makes the local authorities' case for compensation especially compelling.

Local authority compensation need not mean extra overall taxation in the country as a whole. Local authorities are already having to pass on the cost of the losses to local taxpayers, by means of higher local taxes. Compensation from central Government would mean that, instead of the burden being loaded entirely onto the shoulders of local taxpayers—many of whom, in areas

such as mine, are suffering high unemployment and severe economic distress—the load could be carried more broadly across the nation as a whole.

Finally, on the subject of redress and compensation, it has already been said that BCCI depositors have no means of redress other than through the Government. The Bank of England has legal immunity and cannot be sued, except in instances of bad faith. I do not say that there was bad faith; there was simply incompetence and negligence. The ombudsman is not empowered to investigate the matter either, because it affects the Bank of England, so depositors can look only to the Government for some kind of compensation.

It is clear from the Bingham report that what has happened has been primarily a failure of national regulation.

If the Select Committee returns to this problem in a future report, and if it recommends the payment of compensation, will the Government accept that recommendation? The Select Committee is the only independent body able to make such a recommendation. The ombudsman and the courts could not; nor could Lord Justice Bingham, because it was not in his remit. The only independent voice to decide the verdict in this matter is the Treasury Select Committee. If it recommends compensation, will the Government accept that?

BCCI represented a huge failure of regulation by the Bank of England, charged by the Government with the task of supervising the banking system and ensuring the basic security for people's deposits. I believe that it is now the responsibility and duty of the Government to come forward with a fair and reasonable scheme of compensation to lift the burden from tens of thousands of innocent depositors and local taxpayers who are now carrying all the costs through lost savings, lost jobs and lost services.

I echo the question by other hon. Members—what is the price of failure on the part of the Bank of England? So far, we have had no apologies, no resignations, no compensation—just excuses. If there is no price, what incentive is there to do the job effectively and properly in the future?

More than 123 hon. Members have already signed early-day motion 727, calling upon the Governor to accept his responsibility for this failure and to resign. The longer he declines to do so, the longer he remains a Governor not just without credibility, but I am afraid—I am reluctant to say it—without honour.

12.46 pm

Mr David Wilshire (Spelthorne): I apologise to the House because the issue I want to raise may result in my failure to be present for the conclusion of the debate. I should declare an interest because I was one of the people who actually owed money to BCCI when it closed down. I used its credit card, which gave a percentage of turnover to green issues, and when the bank closed down I owed it £5.50. I hasten to add that I paid that rather promptly.

Mr. David Shaw: With interest?

Mr. Wilshire: I do not believe that I had the debt long enough for interest to be added.

I must also explain to the House that I cannot possibly bring certain expertise to bear in this debate because I am neither a banker nor an accountant. I am also ready to

admit to not having been closely involved as this awful saga unfolded. However, in the past few days, I have become horribly involved because of a family tragedy in my constituency caused by that saga.

As time has gone by, we have all heard about the traumatic cases of financial ruin caused by BCCI—we heard about some more this morning. We have heard of the loss of life savings and the destruction of businesses. However, as the hon. Member for Leicester, East (Mr. Vaz) said, this week death has been added to the grisly catalogue of things that have gone wrong because of BCCI.

One of my constituents who worked for BCCI had been held for 14 months in detention in Abu Dhabi. He was held without charge, without access to proper lawyers and without access to proper medical care. He died in detention on Monday. Up until now his family and I have kept quiet, because, quite properly, his family's priority throughout this week has been to get his body back to the United Kingdom. Earlier this morning his body finally reached Heathrow. This is the earliest opportunity the family or I have had to speak out and, if the House will allow, that is exactly what I intend to do.

My constituent was aged 45. He was married with three young children living in my constituency. They are all British subjects. He was a United Kingdom officer with BCCI, and when the bank moved its headquarters to Abu Dhabi, he originally told the bank that he did not wish to go. The bank subsequently persuaded him to go, and on 8 September of last year, with 17 others, he was detained by the Abu Dhabi authorities.

My constituent was among those who had offered to return to the United Kingdom to give evidence to the Serious Fraud Office to help with its inquiries. His detention made it impossible for that to happen. The hon. Member for Leicester, East was right to point out that there are people still willing to help but who are prevented from doing so.

My constituent's detention was extended on a monthly basis. At no time since last September was there any charge and at no time, to the best of our knowledge, was he or the others allowed any form of exercise. I understand that at no time was proper legal support given to those detained and, to the best of our knowledge, no proper medical assistance was available, even though my constituent was a known diabetic.

Because of the loss of earnings, that family, unlike some others, could not go to Abu Dhabi to see him. His application to make telephone calls to the United Kingdom to speak to his wife and children was refused by the authorities, and the only communication received by the family was by way of letters smuggled out of Abu Dhabi and brought to this country.

I am grateful for all that the Foreign Office has done since last September. I am told by the Foreign Office that all of what I have explained to the House is in accordance with Abu Dhabi law. It might be, but it is not within my definition of human rights. I am appalled and disgusted at the treatment that my constituent received. My heart goes out to his family for what has happened this week.

I call on the British Government—I appreciate that the Economic Secretary is not responsible in this context and will probably not be able to respond directly—to lodge the strongest possible protest with the Abu Dhabi authorities

about what has happened. We should redouble our efforts to obtain the release, or at least the charging, of the other British subjects who are still held in Abu Dhabi.

Mr. Vaz: Everyone involved in the campaign will be delighted with what the hon. Gentleman has done for the family in question. When, with members of the campaign committee, I visited Abu Dhabi, we asked, through the ambassador, to see the people in detention. We were forbidden to see them. In appealing to the Minister, we urge him to remember that there are still 17 British citizens in detention. We appeal on behalf of them and their families.

Mr. Wilshire: I was seeking to make that point and I echo what the hon. Gentleman said. No form of compensation that we could discuss and no form of help could now assist my constituent or do any good for his family. But I agree that we must do all we can to assist the others.

Any comments that I make on the BCCI affair are general in character. I have not been as closely involved as perhaps some might say I should have been, and I am no expert. But as a lay person, I must ask what the public have a right to expect when doing business with banks. I suggest that they have a right to expect an adequate framework of control, and only the Government and the House can provide that. The public also have a right to expect an adequate standard of supervision. We as lay people, when dealing with such issues, cannot deliver that supervision. We must rely on the experts.

It is worth underlining the fact that the public have no right to expect that anybody, anywhere can guarantee that such a thing will never happen again. We must debate whether everything possible has been done to minimise the risk of its ever happening again. The question that should be answered is: did the Government, the Bank of England and the individual experts do everything possible to minimise the risk? Given the scale of the disaster, I well understand why many people say, "No, somebody, somewhere did not do everything possible to minimise the risk".

I do not feel qualified to answer that question, so I looked to the Bingham report to see what answers are given to that question of minimising risks. Much to many people's relief, the Bingham report appears to exonerate the Government and the Treasury from blame. I then notice from the report the suggestion that the general system of supervision seems to be all right. Finally, I note that the Bank of England does not seem to be quite all right. I, too, am relieved about the message that I receive on the role of the Government and the Treasury, but it is hard to accept that a system of supervision is basically all right when something so horrendous has gone wrong.

I note the point about split responsibility, but it does not need an expert to understand that the system of divide and rule applies here. If lots of different people or even two groups have joint responsibility, it is hardly surprising that sooner or later the responsibility falls—plop—between the two. That appears to be what has happened. I also note that, if the general system of supervision is national, the international dimension will never adequately be taken care of. I raise that matter to enter the caveat in the response that I see being put about: that we should now beef up the EC system of banking regulation. I cannot resist the temptation to point out the fact that countries

[Mr. Wilshire]

such as Switzerland are not members of the EC, so it is difficult to believe that asking the EC to resolve an international problem will get us far. Even if the EC could do something, I have no doubt that if the Council of Ministers came up with a grand scheme, Mr. Delors, in his bid to be President of France, would say, if it suited his purpose, "Tough. I shall sabotage it." That is what he now does when he does not like what is going on within the EC.

Finally, I am forced to look at what the Bingham inquiry report says about the Bank of England. It makes serious criticisms—even a layman can understand that they are serious. Earlier in the debate, my right hon. Friend the Member for Worthing (Mr. Higgins) described the Bank of England's response as "pathetic", and the hon. Member for Western Isles (Mr. Macdonald) used the word "negligent". All that I have read and heard smacks of going through the motions, in the hope that one would get away with minimum effort.

That was bad enough for those who have suffered financial loss, but now, going through the motions and not necessarily doing the job properly have reached the bottom line of at least one death. I hope that those concerned will think carefully about that consequence. In the past—and even recently in the case of the London ambulance service—shortcomings, even if they were not wilful, resulted in resignations. I deeply regret that resignations are no longer fashionable. I hope that those involved will once again consider the role that they played or did not play and consider their consciences again and again. They should then act in the honourable way.

The BCCI saga is about fraud on a scale which the world has not often seen before. It is about financial disaster for thousands of people. And now it is about death, for which we cannot sensibly talk about compensation. When we have such debates I hope that, as well as cataloguing what has happened and seeking to apportion blame, we shall spend most of our time ensuring that we minimise the chance of the disaster ever happening again.

1 pm

Mr. James Molyneux (Lagan Valley): The House has listened with much sympathy to the account given by the hon. Member for Spelthorne (Mr. Wilshire) of the tragedy that has befallen his constituent and family. On behalf of my right hon. Friend and hon. Friends who are not present today, I tender our sincere condolences.

The Economic Secretary will recall that the Chancellor reminded the House on 22 October of Lord Justice Bingham's terms of reference, which included the words: "to consider whether the action taken by all the UK authorities was appropriate and timely". I would be inclined to reverse those words to read, "timely and appropriate".

From my comparatively neutral position in the House—depending on the issue before us on any given day—I have noted that the sordid story began back in 1972. For 15 of those 20 years Conservative Governments were in charge, and for five years a Labour Government were in charge. At least there is some excuse for the Labour Government, as at one period they had no majority and during another they were in alliance with another party in the House. To some extent the wheel has turned full circle. If representatives of the allied party had been present I

might have given them a few tips about how to do a deal: "Get all you want, without giving anything in return." I speak as an old hand in such matters.

Lord Justice Bingham concluded that the conduct of Treasury Ministers and officials was not, in his view, "open to criticism in any respect."

I am not qualified to differ from that conclusion, even if I wanted to. It is unfortunate for the present Government that they are answerable and accountable, which is why—for constitutional reasons—we are having today's debate. I think that we feel grateful to the Treasury Ministers for co-operating and securing a debate so soon after the report's publication.

As hon. Members have said, section 1(4) of the Banking Act 1987 appears to grant the Bank of England immunity from liability for damages unless

"it is shown that the act or omission was in bad faith."

To my simple mind it would seem that as Parliament granted such immunity and produced defective laws, it must collectively accept some liability. In this case the agency of Parliament is the Treasury. It is my view—I think that it is shared by other Opposition Members—that the Treasury must make generous contributions to those organisations, institutions and, most of all, individuals who were not only unprotected by defective legislation, but encouraged to invest in a bank, which was known to be unstable for approximately two years—that is to put it mildly.

In the case of Lisburn borough council, the bulk of the £3 million investment was made in those last two years. That investment was recommended and fully approved to the council on the basis of the continued inclusion of BCCI in the quarterly bulletin, which is compiled by the Bank of England, but circulated by the Department of the Environment.

The Minister said that Her Majesty's Government and Ministers are exonerated, which is true. The report concludes that Treasury Ministers are blameless. But can the same be said of the Department of the Environment? I am convinced that at least a section of that Department—I am talking about two Departments, the big brother over here in Whitehall and the smaller brother in Northern Ireland—would have been aware of the doubts about BCCI.

Yet the bank remained on the approved list and its retention on the approved list undoubtedly misled local authorities, especially those in the more remote parts of the United Kingdom. It is no accident that local authorities in the Greater London area, which would independently have picked up the little whispers, the suspicions and the gossip, steered well clear of the trap. The Department of the Environment may claim that it was acting as postman by simply distributing the quarterly bulletin which contained the list, but that action conveyed to councils and to other institutions—to individuals as well, I suppose—the impression that BCCI continued to be officially approved.

The Economic Secretary rightly advised against confusing authorisation with guarantee, but the existence of the list suggests that the Department of the Environment had committed the error of making that confusion. Investments were made on the basis of what was a form of Government approval. I am especially mindful of private investors, but I realise that local authorities were more directly influenced by that

information. Local authorities saw themselves as accepting the advice and guidance of their parent—the Department of the Environment.

In recent years, councillors have been compelled to regard themselves as creatures of the Department of the Environment. I have here a code of conduct which has just become effective in Northern Ireland. The same straitjacket has been applied to many local authorities in Britain. The code of conduct contains 31 directives to local councillors and they are all based on the theory that they must obey their superior authority without question.

I hope that the Government will devise an early warning system on the lines of the Minister's final words of advice and the words of the final passage in the Select Committee report.

The Bingham report refers to financial institutions in the Isle of Man and in Gibraltar. In addition to the activities of BCCI in those areas, there is a parallel scandal of the Gibraltar-based company International Investments Ltd., the subject of early-day motion 747. There is a United Kingdom angle to that about-to-burst scandal. The Director of Public Prosecutions in Northern Ireland is currently pursuing that connection and the Crown solicitor is considering extradition proceedings in regard to an Irish banker, Mr. George Finbar Ross, who has become the central figure in a book published last month entitled "Gibgate", about which we shall hear more in the near future.

There is some overlap between the two scandals. A family residing in Antrim, East had invested £200,000 in International Investments Ltd. and had made a smaller investment in BCCI. That family suffered a double blow and, as in the case quoted by the hon. Member for Spelthorne, a death has resulted. I do not suggest that the death was caused entirely by the double blow.

To be fair to the hon. Member for Edinburgh, Central (Mr. Darling), he did not attach blame to the Government—nor do I. Responsibility rests with successive Parliaments and we must all face the consequences of the failure of responsibility. Whatever our views on the Bank of England, the House must hasten to ensure that such disasters are not repeated, in so far as that is possible in this computer age when currencies do not change hands, but become merely blips on a computer screen. As there has been no political point scoring in the debate, let us all combine to do all in our power to mitigate the resulting hardship on individuals and institutions who quite unwittingly become victims of a massive fraud.

1.9 pm

Mr. David Shaw (Dover): As small financial services firms have been mentioned in the debate, I shall declare my interest as chairman of the Back-Bench smaller businesses committee and my association with a small financial services company. I am an ex-banker and a chartered accountant.

The BCCI fraud is not about small firms. The nature and the enormous size and scale of that fraud is totally unprecedented in the history of banking. It is clear that a small number of people, aided and abetted by some senior managers and possibly one or two people outside the company, are to blame for the fraud. The fraudsters have still not been brought to justice and I can understand the concern of my hon. Friend the Member for Spelthorne (Mr. Wilshire) about the way in which his constituents are

suffering. Perhaps some innocent members of BCCI staff are suffering because of the over-zealousness of some people to protect themselves. It would certainly be wrong for such suffering of British subjects to continue without the opportunity for a fair trial.

I pay tribute to the hon. Member for Leicester, East (Mr. Vaz) for his assiduous work in the interests of many. I do not share all his views on the matter, but he has certainly worked hard, especially in his quest for information. On the Select Committee on Social Security I experienced the need for information to understand what is going on and what went on in the Maxwell affair. I totally support the hon. Gentleman in his quest to get to the bottom of what happened to the billions of pounds that were paid into BCCI.

We all agree, as Bingham clearly identifies, that the fraud did not suddenly happen at the last minute but went back many years into the 1970s. Billions of pounds went into BCCI. Where did it all go, because little of it was left at the end? Cheques for billions of pounds cannot be written overnight at the end of a bank's life. Cheques taking money out of BCCI must have been written over many years and there must still be stories to be told. It is disgraceful that the hon. Member for Leicester, East has not had answers to his questions. The Government must do everything in their power to persuade the liquidators and others to answer those questions because it is important for the information to be brought into the open.

Part of the problem about the prevention of future frauds is that people can hide behind a veil of confidentiality. In the case of Polly Peck, Cyprus was the veil, and Liechtenstein and Switzerland hide people in the Maxwell affair. There must be a stronger effort to discover where the money went in all those frauds. I shall certainly support the hon. Member for Leicester, East in that quest.

People have a right to know and to have an answer to the question whether more could have been done to prevent the BCCI fraud. It could be said of every fraud that more could have been done to prevent it and there is always a legitimate claim that more should have been done. But such claims are always made with the benefit of hindsight and we have to examine them carefully to see what could have been done. In the case of BCCI, it is easy, and Bingham has done so, to say that more could have been done, but it is difficult to conclude that the outcome, even if more had been done at an earlier stage, would have been any different, because the fraud seems to go back so far.

The role of the auditors has been questioned. As I am a chartered accountant, the House will not be surprised to hear me say that I have some sympathy with the auditors. The House will know that I have been in the forefront of criticising my profession when I think that members of the profession or the profession itself stray further than is justified by the public interest. However, this case pushed at the limits of auditing.

The public must understand that an audit can never guarantee that there will be no fraud, particularly when such a sophisticated international fraud involving about 200 people in the know is being perpetrated. Frauds normally involve no more than one or two people, because to involve more puts the whole fraud at risk—someone makes a mistake or leaks some information or leaves a document lying around. That is why BCCI's fraud is so unusual and odd.

[*Mr. David Shaw*]

When I did my auditing courses, we always went through the procedures showing how frauds could be put in place. The frauds that we went on courses to investigate usually involved a small number of people, either with one or two large transactions or with a large number of small transactions. Unusually, the BCCI fraud involved large numbers of large transactions. The auditor is a watchdog, not a bloodhound. It would have needed a rottweiler to cope with the BCCI fraud.

There have been criticisms of the Governor and the Bank of England. In particular, hon. Members have asked whether closure should have come earlier. However, many—depositors and employees alike—argued against closure. I heard their arguments in the Grand Committee Room at a meeting hosted by the hon. Member for Leicester, East. There is no doubt that many claimed that the closure was a political act, and even professionals questioned the closure. Paragraph 2.468 of the Bingham report shows that, on 4 July—the day before closure was decided upon—Price Waterhouse thought that closure might have been precipitate.

We know that, a year before that, the authorities in Abu Dhabi and the majority shareholders invested some £4 billion in the bank to support it. They did not think that closure was appropriate, Ahmed Al Sayegh sent hon. Members a letter, dated 16 October, from Abu Dhabi and the majority shareholders. Even today, they are not happy with the closure. The letter says:

"The Majority Shareholders continue to believe that, had their restructuring plans been allowed to succeed in July 1991, the grievous losses and hardship resulting from the closure would have been prevented."

Even today, people question whether closure was sensible. I am not one of them. The report and the evidence make it clear that the fraud was deep and widespread within the company, and there is no question but that the bank was unfit to continue in existence. Therefore, the Bank of England cannot be criticised either for being too late in closure or for not closing early enough.

The blame cannot be laid upon the Governor either, because most of the fraud was initiated, and the basis for it set up, before he became Governor. There was false book-keeping in the Cayman Islands, for example, and in other areas where the Governor is not responsible. I am sure that the Governor would never want to be responsible for fraud havens such as the Cayman Islands. To ask the Governor to resign over the BCCI fraud is about the same as asking the Leader of the Labour party to resign because Robert Maxwell was a member of the Labour party.

Mr. Vaz: First, I thank the hon. Gentleman for his kind comments about me. I thank him also for his involvement in the campaign over the past year. I do not want it to seem as if there is a mutual admiration society, but the hon. Gentleman has been extremely active in the Maxwell pensioners' campaign. Leaving aside the resignation of the Governor—I know that the hon. Gentleman disagrees with that call—does he accept that there is a case for compensation that is similar to the one that he has advanced on behalf of the Maxwell pensioners? Where an authority has been criticised—even the Governor accepted on Wednesday that the report is highly critical, and the Economic Secretary has accepted that as well—there is surely a case for compensation, just as there was for the

victims of Barlow Clowes, and just as there is a case—indeed, a strong and compassionate one—for the Maxwell pensioners, which he has been prosecuting.

Mr. Shaw: I shall be coming to that issue. I want, first, to make two small points about the Bank before talking about compensation.

We must recognise that the Bank of England was not the primary regulator. Other regulators were no better at regulating BCCI than the Bank of England was. As far as I can judge from the Bingham report, the Bank started to get a smell that something was seriously wrong on about 3 October 1990, which was less than a year before BCCI was closed. The criticism, if any can be levelled at the Bank in terms of the report that it received on 3 October 1990, is that it was not entirely streetwise in its reading of that report. The Bank, however, is not always there to be streetwise. Sometimes it has to be above the street and to assume that the banks in the City are basically honest institutions.

The report on 3 October 1990 highlighted some wrongdoing, but it was not a comprehensive report about every aspect of BCCI. It was not produced to meet the terms of section 41—the relevant section—of the Banking Act 1987. Therefore, it was not a basis for total closure. It was, however, a basis for the Bank proceeding in the way that it did. I am sure that there are many in the Bank who look back on the report and say to themselves, "Could we have done more? Perhaps we should have done more."

Surely that is not a fundamental basis on which to say that the Bank completely failed in its obligations. I do not believe that the report identifies enough to show that the Bank was negligent or wrong.

It was the Bank which finally closed down BCCI. It was the Bank which finally commissioned the report that closed it down. It is interesting that that report was never finalised. The Bank closed BCCI on the basis of a draft report. In other words, it was closed extremely quickly when real evidence was found to exist. As the Bingham report makes clear, BCCI was closed before the auditors had had enough time entirely to verify all the evidence that they had found. I do not think that the Bank can be blamed for taking the correct action on a timely and proper basis. Those who say that earlier action was possible have to say when that earlier action was possible. They must put themselves in the Governor's shoes and those of others in the Bank and ask, "What decision would we have made and when would we have made it?"

They must question also how much more money would have been saved for depositors. Because this country's deposit scheme is comprehensive, it is doubtful whether more would have been saved.

The Abu Dhabi authorities must carefully review their actions. Sheik al Nahyan Zayed is unquestionably an honest, respectable and respected man who was conned by a so-called friend—Mr. Abedi. However, there were failures on behalf of Sheik Zayed's staff, and it would be wrong if members of the British public and British citizens suffered as a consequence. I was particularly concerned by the story the House heard today from my hon. Friend the Member for Spelthorne (Mr. Wilshire). The Abu Dhabi authorities have put in billions of pounds, but they were too closely involved in some of the bank's decisions.

I believe that all who spoke today accept that the Government played no role in BCCI's downfall, and that the Bingham report identified no failure on the

Government's part. The previous Leader of the Opposition, the right hon. Member for Islwyn (Mr. Kinnock), tried to pin something on my right hon. Friend the Prime Minister. That was a despicable and unjustified smear—made before the general election campaign, for electoral purposes. Bingham did not establish any justification for that smear. There was no substantive failure either on the part of the Bank of England.

Mr. Molyneux: Whatever may have been said and done in the House in the past, there is a consensus that past and present Governments were not to blame. I hope that I did not offend any right hon. or hon. Member when I suggested, however, that all Members of Parliament must take some blame for defects in the law.

Mr. Shaw: I agree with the right hon. Gentleman that parliamentarians must accept often a degree of responsibility when things go wrong because—despite our exhaustive legislative procedures in Committee and on the Floor of the House—the laws that we introduce are not always effective and efficient. If the Government had to pay compensation every time that Parliament failed to introduce effective laws, no one would ever be held responsible for financial losses, and the Government and taxpayers would for ever be paying compensation.

The question that must be asked in the case of BCCI—and of Maxwell, when Government compensation is considered in that case—is whether taxpayers should forgo the equivalent of a hospital or more in resource terms, in favour of paying compensation in this instance of wrongdoing. Sadly, for the employees and depositors concerned, I find no justification for doing that.

There is, however, every justification for the Government and others trying to ensure that certain persons are brought to justice, and that any resources they may have are taken from them. There is evidence that there are some very wealthy people out there guilty of significant wrongdoing. The Government should wind up the machine a crank or two and put on a bit of pressure. I pressed the Government hard to work on Liechtenstein, and now I press them to become involved, through diplomatic channels, with Abu Dhabi and others, so that the persons responsible for BCCI's collapse can be brought to justice and money can be squeezed out of those wrongdoers who still have it.

Nevertheless, I must point out to many of BCCI's depositors that this was a dangerous bank. The case is not like that of the Maxwell pensioners, who put their money into what everyone would have regarded as a safe haven. In the case of the companies, the pension funds were administered by IMRO, a self-regulatory body, in the City of London. In that instance, City banks—often based overseas—abused their responsibilities and the trust placed in them by engaging in transactions that were often illegal or fraudulent; if not that, they were at least questionable transactions which any sensible bank manager would have known to be wrong, and I hope that the banks involved will be brought to account.

As I have said, the case of BCCI is different. When people made deposits, they could see a set of accounts at the local branch. They would thus have seen the connection with the Cayman islands and with fraud havens, and might then have been in a position to ask themselves whether they really wanted to invest large amounts of their money in a bank with such connections.

The Maxwell pensioners had placed a good deal of faith and trust in the City, and in the banks that were involved in trading with Maxwell and looking after the pension fund moneys. BCCI, however, had a number of questionable features from day one.

Many of Bingham's suggestions for the future are potentially good news, in regard to ensuring that the banking industry is better regulated from now on. Unquestionably, the Bank of England needs explicit powers to close down banks, for it has not proved adequate in the past. It should not hesitate to close down banks that engage in substantial transactions with tax and fraud havens, because they are probably not fit and proper banks to be based in the City of London. We should ensure that the primary regulator of a bank is not only well known, but in a reliable country that has proper means of investigating banks.

I am pleased to see that Bingham's recommendation for a special investigations unit at the Bank of England is to be adopted, and that such a unit is to be active in investigating banks such as BCCI in the future.

Sadly, Government compensation cannot be justified in this instance. The problems of BCCI boil down to a single key issue: the question of timing. At what point was enough known for it to be proved that the whole bank was a fraud—not part of it, but all of it? I do not think that substantive evidence has been discovered—and none has been reported by Bingham—that an earlier closure would have been realistic. I therefore conclude that, although mistakes may have been made, on balance the authorities operated in the best way possible, given the complex and difficult circumstances. Considerable pressure was exerted for the bank to be kept open, not only by the auditors but by others in the banking and regulatory world—and in the political world. I believe that the Bank of England operated legally and properly, as soon as it could properly do so.

1.33 pm

Mr. Peter Hain (Neath): I see Lord Justice Bingham's inquiry into the supervision of BCCI as yet another nail in the coffin of City self-regulation. As Bingham confirms, the self-regulatory framework for banking in Britain has failed abjectly. That view is not confined to City critics; just two days ago, Mick Newmarch—chief executive of Britain's biggest investor, the Prudential Corporation—called for the Government to take over regulation. He said:

"It is time to face up to the fact that this approach has not worked, and to revert to the conventional, proven statutory basis for regulation."

If the man from the Pru is now saying such things, it is surely time for the Chancellor to ask the old lady of Threadneedle Street to hang up her dancing shoes and make way for a younger, more alert and more inquisitive partner.

The main charge against the Bank of England in the BCCI affair is that if the Bank knew for some years that BCCI was riddled with fraud, why did it wait for so long to act? More importantly, why did the Bank allow innocent customers to continue to make deposits when it knew that the end was near? The answer is partly, in my view, that the Bank is a venerable British institution and that, as such, it expects everybody else to follow its own officer's and gentleman's code when, in real life, City fraud, insider dealing, financial incompetence and so on

[Mr. Peter Hain]

are now endemic. The problem is that the Bank's Kiplingesque culture has made it an international laughing stock, as my hon. Friend the Member for Leicester, East (Mr. Vaz) so aptly remarked.

BCCI is at the end of an ever-lengthening list of scandals where the Bank and the other authorities either have turned a blind eye, have failed abysmally to discharge their responsibilities or, in some cases, have deliberately concealed matters of critical importance from public scrutiny. Although it is politely couched in Old Etonian code, Lord Justice Bingham's criticism of the Bank is devastating. The problem is that there is absolutely nothing in the Bingham report to suggest that another BCCI will not happen again. Therefore, can the Minister tell me what the Government intend to do? I found the Minister's introductory speech bland, smug and almost offensively complacent. There is absolutely no reason to believe that something on the scale of BCCI could not turn up yet again, given the Minister's suggested policies.

Bingham is being used by the Government to let the Bank of England off the hook. The only way to send a clear signal to the apprentice banking fraudsters and innocent depositors alike is for the Chancellor to demand the immediate resignation of Robin Leigh-Pemberton, the Governor of the Bank of England. I see from the Bank's charter that his five-year tenure runs out in June 1993 and that he cannot be sacked. He can vacate his office only if he becomes bankrupt—an unlikely eventuality, although the precedent set by the former Tory party treasurer, Lord Beaverbrook, is interesting in that respect—or if he is convicted of an offence, or if he is absent from meetings of the court—the Bank's board—for six months, or if he resigns

"if he be found lunatic or become of unsound mind."

There may be views about the latter part of that quotation.

It is important to recall when we analyse the Government's role in the BCCI scandal that the Governor of the Bank of England was only appointed in 1982 because he was an obedient member of the Thatcher mafia—the "thafia", if one likes. The Governor's early career mirrored Lady Thatcher's. They briefly overlapped at Oxford in the late 1950s. They were both called to the Bar in the same year, 1954. During the 1950s they were part of the inner circle of Conservative Kent politics. Lady Thatcher fought the parliamentary seat of Dartford. She married Denis, another Kent Conservative. The Governor still lives in Kent, on a 2,000 acre estate at Milstead, near Sittingbourne. While she went on to higher things, the Governor, as a Conservative councillor, worked his way up through the ranks to the dizzy height of chairman of Kent county council between 1972 and 1975. He and Denis Thatcher became golfing chums, playing regularly at Lamberhurst golf club in Kent.

Is it any surprise that Margaret Thatcher, in the face of fierce criticism in 1982 that it would be an entirely inappropriate appointment, thought that Robin Leigh-Pemberton was the obvious choice for Governor? The Governor's incompetence, negligence and dishonesty over BCCI is testimony to the bankruptcy of the distasteful political patronage that disfigured the Thatcher era.

If, however, the Chancellor stands by his Governor and if the Minister does so again today, what about the failure of the Board of Banking Supervision over BCCI? My hon. Friend the Member for Edinburgh, Central (Mr. Darling)

referred to that issue. This august body is directly responsible for uncovering and exposing illegal and dubious practice. That body consists of accountants, solicitors and leading business men, most of whom have alternative sources of income, and whose resignations would be widely received as a principled course following the BCCI scandal. Why did they not resign? Is it because, again, they are part of the umbilical cord between the City and Conservative party coffers? The right hon. Lord Swaythling, for example, as chairman of Rothmans International plc, donated £100,000 to the Conservative party election fund in 1991-92 alone.

Who chaired the Board of Banking Supervision? It was Mr. Brian Quinn—another Bank of England establishment man, who has been in post for more than 20 years. As early as 1986, blithely ignoring the mounting evidence of corruption in BCCI, he decided against withdrawing the bank's licence because

"the closure of the 45 UK branches would cause substantial political and diplomatic problems".

That was grossly negligent. But where is Mr. Quinn now? Has he left his job? No, he is exactly where he was five years ago. After Bingham, the Bank established a new investigation unit headed by an outsider, Ian Watt. That was a step to be welcomed. Mr. Quinn has been effectively sidelined—but why has he not been sacked? I believe that this is another shameless example of the Bank protecting itself, another example which suggests that if one is part of the Bank's inner charmed circle one can carry on regardless of how incompetent or negligent one is.

The whole sorry spectacle has lifted the curtain on a murky world in which the City closes ranks while ordinary citizens are bankrupted or destroyed, as they have been in their thousands as a result of the BCCI scandal.

Another aspect of the report is equally disturbing, if not more so. The report was filed with the Treasury in July, yet it was published only on 23 October—without appendix 8, which covered MI5's involvement in the scandal. We know of that not through our Government, but through the efforts of United States Senator John Kerrey, whose 800-page report revealed that British intelligence was up to its neck in BCCI.

As Kerrey's report reveals, MI5 took away sealed documents from BCCI's records. The House should ask what was in those documents? Did they show that MI5 or MI6, like the CIA, was laundering funds through BCCI to promote Saddam Hussein in Iraqgate, during the Iran-Iraq war? Did they show that MI5 was using BCCI in the Irangate scandal? We know that Colonel Oliver North used BCCI. Did British intelligence use it in the same way? If so we have not only a City scandal but a major political and security scandal with international implications.

As the Kerrey report says:

"A British source has told the Bank of England and British investigators that BCCI was used by numerous intelligence agencies in the United Kingdom. The British intelligence service, the MI5, has sealed documents from BCCI's records in the United Kingdom which could shed light on this allegation."

Kerrey also reports that documents sealed by MI5 concern the financing of terrorism—such as the activities of Abu Nidal, assisting the builders of Pakistan's nuclear bomb, financing Iranian arms deals, and other related matters. Those are important issues, because, as Kerrey confirms, BCCI was a vehicle for dirty tricks and deniable

operations in the middle east by various intelligence agencies, especially the CIA, and possibly MI6—with or without the involvement of MI5.

If the appointment of Stella Rimington as head of MI5 is to be more than a window dressing operation for open government, the Minister must publish appendix 8 in full and place it in the public domain so that the information contained in the files which Stella Rimington has ordered to be sealed can be revealed. If the Minister is not willing to do that fully, openly and publicly, perhaps he will follow the precedent set by the Prime Minister earlier this week by placing that information in the Library.

Before I finish I shall quote another extract from the Kerrey report, taken from page 462:

"By agreement, the Bank of England had in effect entered into a plan with BCCI, Abu Dhabi and Price Waterhouse in which they would each keep the true state of affairs at BCCI secret in return for co-operation with one another . . . from April 1990 forward, the Bank of England had now inadvertently become partner to a cover-up of BCCI's criminality."

That is a devastating indictment of the Bank and one which Lord Justice Bingham confirms in rather more circumspect language. In its own way, Lord Justice Bingham's report carries just as strong an indictment, but he prefers to use more polite language.

If the Chancellor does not fire the Governor, if the chair of the Board of Banking Supervision does not go and if Ministers do not open the MI5 secret files, the Government will be guilty of complicity in a cover-up that could make even Watergate look like chicken-feed.

The Government must also take this opportunity to institute a thorough-going reform of City regulations to rid us once and for all of the spivs who openly ridicule the arcane, old-boy style of self-regulation, which means that the City has now become an international laughing stock. The prospects of the City attracting overseas finance and the European central bank, as well as other important future initiatives, are gravely jeopardised, if not irretrievably prejudiced by the Government's behaviour over the BCCI scandal.

1.46 pm

Lady Olga Maitland (Sutton and Cheam): The Opposition have chosen the wrong target by trying to suggest that the Government should pay compensation to the victims of BCCI. If one took that argument to its logical conclusion one could therefore say that the Labour party should compensate Maxwell pensioners because many of its leaders were spokesmen for and, indeed, in charge of the Maxwell pension fund. We should concentrate on the real cause of the problem and the fact that crimes were committed by those inside BCCI—that is where the blame lies.

Mr. Hain: Is the hon. Lady seriously suggesting that the relationship between Robert Maxwell and the Labour party was in any way comparable to the relationship between the Governor of the Bank of England—given his overall supervisory duties—and the BCCI? If so, she should spell that out explicitly. I believe that it is an absolute nonsense and that she should withdraw that shameful allegation.

Lady Olga Maitland: I certainly will not withdraw those remarks, because people in the Labour party were responsible for the Maxwell pension fund.

How was it that BCCI was able to continue as it did? We must accept that it was subject to poor banking supervision. Although the Bank of England was empowered by Parliament under the Banking Acts of 1979 and 1987 to supervise the banking system, it was rightly condemned for BCCI's conduct, which was described as the greatest fiasco in history. It is absolutely correct to describe BCCI as a tragedy of errors, misunderstandings and failure of communications. I would go even further and blame the Bank of England for weak handling and positive negligence.

What really angers me is that I have not seen a single sign of remorse from the Bank of England. We have witnessed an appalling catalogue of errors and delays when one considers that leaks about BCCI's standing began to creep into the public domain from 1976. The background of the bank's founders should have raised alarm here as it did in America.

It makes one wonder whether it is right for the Bank of England to continue to supervise the financial sector. Perhaps, as my right hon. Friend the Member for Worthing (Mr. Higgins) suggested, that responsibility should be given to another, tougher, outside body, which would run it on a more stringent basis.

It is ironic that the Bank of England sanctioned a dodgy bank in 1980. It turned down BCCI's request for recognised status under the Banking Act 1979, but decided to give it licensed deposit-taker status. By 1986 the alarm bells were ringing loud and clear, but they were ignored.

Although the hon. Member for Hackney, North and Stoke Newington (Ms. Abbott) is not in the Chamber today, I supported her comments to the Select Committee when she said that the Bank of England had been passive, timid, amateurish and sloppy. I would add that it had been arrogant and complacent. The buck stops with the Bank of England and its Governor. But in the light of his evidence to Bingham, Mr. Robin Leigh-Pemberton has not ducked his responsibility, although I regarded his comments as reluctant and hesitant.

As we consider the scale of the anguish that has been caused to the victims of the BCCI affair, we must accept that those concerned are not always the most articulate. They are in many instances not powerful with great lobbies supporting them. They have been mugged—that is the only way I can describe their plight—and they are rightly angry because of the great abuse of trust that has occurred. In addition to the grave injustice that has been done to thousands of innocent people, 30 local authorities in Britain have suffered.

I object to the way in which it is suggested that it is not the responsibility of the Government or anyone else to warn local authorities when things are not right. That is a dog-in-the-manger attitude; they have the information, they are sitting on it but they do not have the guts to bring it into the open. They would rather let others suffer in consequence.

The victims of the BCCI affair comprise in large measure people who have built up a cornerstone in Britain. The Asian community has enjoyed the fruits of burning the midnight oil, opening corner newsagents and providing endless services, including round-the-clock shops and restaurants. It is suggested that what happened was their fault or that they should have recognised that trouble was coming?

Let us not forget the 1,200 BCCI employees. They were not the perpetrators of the major crime. They were caught

[Lady Olga Maitland]

in a web, although innocent, and they, too, because they placed their faith in BCCI and in many instances put their savings in the bank, have lost all. I am told that many of them are finding it difficult to get other jobs because they are tarred with the brush of the comments made by the Bank of England.

Mr. Vaz: The hon. Lady is making a powerful and eloquent speech. I agree with everything she has said so far. May I tempt her a stage further and ask her to agree that, in view of the breach of supervisory duty that occurred and the passionate way in which she has put the case for the victims, the Government should consider the question of compensation? Does she further agree that people should be able to make representations so that the while matter may be examined, directly by the Government or in conjunction with Abu Dhabi?

Lady Olga Maitland: I do not regard it as the Government's responsibility to pay compensation, which would come out of the taxpayers' pockets. The real source for compensation must be the BCCI founders, ultimately Abu Dhabi. But we should make sure that the people who have suffered do not lose out.

I have a considerable Asian community in my constituency, including many former BCCI employees, depositors and a number of charities. It is cruel that charities, which invested in good faith, should be cheated. The Muslim Cultural and Welfare Association has many families on its books in Sutton. That association spent seven years raising £47,000 through jumble sales, fairs and so on, and at a stroke that money was swept away. I welcome the fact that, under the Government scheme, they received £15,000 compensation but I hope that the Abu Dhabi Government will see them through further.

The irony is that nobody would have put money into BCCI, had the bank not been propped up by the Bank of England. When the closure was happening, the Bank of England was discussing with BCCI's British operation its restructuring in the light of a variety of international scandals. The Bank's presence and involvement had the misleading result of persuading potential customers, investors and depositors that their money would be safe with BCCI. So the bank's integrity was believed. It is typical of people to say that the British way of doing things must be right.

The anger also lies in the fact that no heads have rolled. It is unbelievable and astonishing that no one has taken personal responsibility. The Governor of the Bank of England amazed me by saying that the Bank could not afford to lose scarce talent. That was cant of the highest order. What about people's life savings? Tell that to a family that has been beggared by the Bank of England's incompetence.

Many lessons can be learnt. I welcome the setting up of a new fraud probe clearing body, the special investigation unit, designed to co-ordinate, exchange and collate information of all potential fraud on a regular basis. Let us ensure that it really works and that it is tough, resolute and meets regularly. We want to know how often, where and when it will meet and to ensure that it reports. Otherwise, the best endeavours of producing this important Bingham report will simply come to naught.

1.56 pm

Mr. Clive Betts (Sheffield, Attercliffe): I wish to concentrate my remarks on the local authorities that got into difficulties with BCCI and to draw two conclusions from that.

In 1990, when I was leader of Sheffield city council, I was approached through members of the Asian community in Sheffield to suggest that BCCI was an appropriate institution for the council to invest money in, for two reasons. First, it was offering a good financial deal and, secondly, a significant part of Sheffield's population originates from the Asian sub-continent. Those people felt that, as the bank had strong links and lent to that community, it was right that the city in which they lived should make some of its money available for investment in BCCI.

I approached the professional officers in the city council and a meeting was arranged between the chair of finance, the deputy city treasurer and myself. We went to Bradford to meet senior officials of BCCI to tell them that an approach had been made to us and that we felt it right at least to investigate the matter.

Sheffield city council has a large treasury department with well-qualified and professional officers for whom I have the highest regard. Following the meeting, the council carried out an investigation of its own to see whether that institution was a proper place for the city to invest its money. On the basis of that investigation, the deputy city treasurer wrote to me and the chair of finance in April 1990 giving us advice, based on the information that the city council had found.

It was found that, although the bank was incorporated in Luxembourg, it was based in London. It was the largest private bank in the world with no clear lender of last resort. In 1979, when licensing arrangements for banks had changed in this country, BCCI had not immediately obtained a licence because of certain worries about it. In 1980, the Bank of America—one of BCCI's major funders—had pulled out. In October 1988, the Bin Mahsouz family, who controlled the National Commercial Bank in Saudi Arabia and had also been big funders of BCCI, had also pulled out. In 1988, the bank has been indicted of laundering drugs money in Florida. It had eventually come to a deal and accepted guilt.

The council's investigation found that there were links with Noriega; it found that the state of Florida had revoked BCCI's banking licence; it found that Luxembourg, where the bank was incorporated, was currently investigating BCCI. If that investigation had resulted in the closure of the bank in Luxembourg, it would have a consequence for its banking arrangements in Britain. It found that the bank had been guilty of currency regulation breaches in several countries and that in 1988 the bank had lost \$48.7 million.

The deputy city treasurer told the chair of finance and me that he could not recommend BCCI as an appropriate institution in which to put public money from Sheffield city council. I draw two conclusions from that. First, some might ask why, if Sheffield city council could find out that information, other city councils that invested money could not discover that information. The reason is that the Sheffield city council is a large authority with a large treasury department; it employs specialists and it has contacts in the City. The council used those contacts to gather the information about BCCI.

Many of the authorities that ran into difficulty are small and do not have the same sort of in-house expertise as Sheffield city council. The authorities that got into difficulty looked at an authorised list from the Bank of England, which was circulated by the Department of the Environment. Whatever the Government say about it now, I believe that at the time many local authorities thought that the organisations on the list were approved and accepted as ones in which to place public money.

Even if that were not the case, the Bingham report accepts that the Department of the Environment was not approving the organisations on the list, but was circulating the list to assist in the progress so that the authorities could issue more accurate returns to the Government, showing the organisations from which they were borrowing and to which they were lending. The Department of the Environment and the Treasury must have been aware of which local authorities were investing in BCCI and the amounts that were invested.

If Sheffield city council's treasury department could discover that list of information about BCCI—which would have led any lay person to conclude that it was not a satisfactory institution in which to invest—why did our national Treasury not come to a similar conclusion? On the basis of its information about local authorities investing in BCCI, why did the Treasury not take steps to warn and advise the authorities of the potential risks that they were running? Why did it do nothing? If the advice was available to Sheffield city council treasury, why did not the national Treasury—which was far more able to obtain that advice—take steps to warn local authorities about what was happening? Instead, it sat back and watched. That is an indictment which gives all the local authorities involved the right to say that they should be compensated for investing in an institution about which they were not warned, but should have been.

My second conclusion is that the difference between Sheffield city council and the authorities that got into trouble was that Sheffield city council had its own in-house financial investment advice and did not rely on brokers. The Government are considering extending compulsory competitive tendering into white collar services in local government, including financial advice.

The Government should think carefully. Local authorities have a right to independent financial advice, which enables councils to carry out their fiduciary duty. It is important for that advice to be given by people who work for the authorities, not to them, and whose sole loyalty is to the council for which they work. If the Government push ahead, force competitive tendering in that sector, and force local authorities to look for the cheapest solution and use brokers when they believe that their in-house advice is better and more appropriate, they will begin to run the risk of more encountering difficulties involving local authority financial organisations and investments. The Government should think hard before abolishing the right of local authorities to take their in-house financial advice. Authorities such as Sheffield city council, which had that advice, did not make the same mistakes or encounter the same difficulties as those authorities that used private sector brokers.

2.4 pm

Mr. Piers Merchant (Beckenham): I will make a couple of brief points, including the issue of compensation. As I represent a constituency which is—at least in terms of postal area, if not administratively—in Kent, I was somewhat miffed that the hon. Member for Neath (Mr. Hain) did not include me in his far-reaching Kent political conspiracy theory.

I compliment the hon. Member for Leicester, East (Mr. Vaz) on the effectiveness with which he has pursued the campaign, especially in defence of the victims of BCCI, with whom I have the most profound sympathy. The better the compensation deal that can be given to those victims, the more satisfactory will be the position in relation to this and any future banking or financial scandal. The victims must get the best protection that the law can give them.

I cannot support the idea of total compensation. In classic economic terms, interest is partly a payment for risk taken. If we remove the risk entirely, we take responsibility away from individual decisions, and we take out of the banking system the differentiation between the various forms of investment which drives the system. There must be an element of risk and responsibility left to individuals, although I agree that compensation schemes should be generous.

It is worth considering strengthening the existing compensation to give a greater percentage for the first £5,000. The figures could be 90 per cent. for the first £5,000, 85 per cent. for the next £5,000 and 75 per cent. for investments above that.

The closure of BCCI was a disaster for many, and it was essential to have a full inquiry. The report shows that that was carried out. The report is not complacent or weak, and it has significant findings and important recommendations. The House should not play politics with this issue; to do so will not cause amusement for the people most affected. Instead, we should move swiftly to implement the recommendations of the report, and we should put into law adequate levels of protection and investigation.

2.6 pm

Mr. Darling: With the leave of the House, Mr. Deputy Speaker, one feature of the debate is that it has been remarkably free of political bias. First, does the Minister understand that almost every hon. Member who has contributed to the debate has stressed the fact that the Bank of England was found to be at fault? Almost every hon. Member has made the point that the Governor should take responsibility for what has happened. Will the Minister convey that fact to the Governor? The Governor and the Government have not grasped the scale and nature of the problem.

Secondly, will the Minister tell us specifically whether the Government will consider the establishment of a separate regulatory organisation away from the Bank's other activities? Thirdly, although I appreciate that he is not here to answer for the Foreign Office or for the Department of Trade and Industry, will the Minister undertake, if he cannot answer the points made, that the appropriate Secretaries of State will communicate to those who attended the debate their views on two points?

No one in the Chamber can have failed to be moved by what the hon. Member for Spelthorne (Mr. Wilshire) told us about the difficulties being faced by British citizens who

[Mr. Darling]

are now in gaol and about his constituent who died earlier this week. My hon. Friend the Member for Leicester, East (Mr. Vaz), who deserved every plaudit he was given for his efforts, has made a powerful point about the fact that the Government, especially through the Department of Trade and Industry, have information which should be made available unless there are good reasons for not doing so. Will the Minister attend to that?

The hon. Member for Beckenham (Mr. Merchant) suggested that we cannot remove the element of risk. Of course we cannot. An individual always has to exercise judgment. However, the risk that people took in putting money into BCCI, whether individuals or local authorities, was a risk that they took in the light of the fact that BCCI was regulated by the Bank of England. The regulator has let them down. That must have some bearing on the question of compensation and we cannot walk away from that.

Will the Minister tell us when he expects that the Government will bring forward legislation or, if he has a White Paper in mind, when it will be produced? As I said earlier, we simply cannot wait much longer for a clear indication of the Government's intentions.

2.9 pm

Mr. Nelson: With the leave of the House, I shall reply to this most interesting debate. I am grateful to the hon. Member for Edinburgh, Central (Mr. Darling) for his measured winding-up speech for the Opposition. I am also grateful to all hon. Members for their thoughtful contributions on this most important issue. Their words will be heard outside the House with interest, not just by those who were affected by the collapse of BCCI. For the most part, the quality of the speeches has been outstanding and on behalf of the Government I express my appreciation. The issues are wide ranging and complex, but I hope that I shall be able to answer most points. I am anxious to refer to all those hon. Members who spoke.

The hon. Member for Edinburgh, Central said that the signs should have been read earlier and that options other than closure were available. I acknowledge that, because restrictions and measures short of revocation of authorisation can be imposed by the Bank of England. As I said in my opening speech, the Bank did that in other cases to the advantage of employees and depositors alike. Like many hon. Members, the hon. Gentleman called for the resignation of the Government—[*Interruption.*] I mean the Governor. This must be the only day when there has not been a call for the Government's resignation. This place is getting rather like Turandot because it is the fashion to call for heads every day. It is also the fashion to resist such calls, and I do so now.

The hon. Member for Edinburgh, Central asked who would accept responsibility. In his response to the Select Committee on the Treasury earlier this week and in other ways the Governor has behaved in a wholly proper manner in answering the criticisms in the Bingham report and in bringing forward measures of redress. The hon. Gentleman and many other hon. Members, including in particular my right hon. Friend the Member for Worthing (Mr. Higgins), spoke about the case for separating central banking responsibilities from authorisation and supervision. I acknowledge that a case can be made for that, but

the Bingham report does not conclude that there is such a case on the basis of BCCI. Bingham does not say that such a case should not be considered more generally, but does not believe that it is justified on the findings of the supervision of BCCI. Many hon. Members have expressed that view from time to time and it is a matter of record that I did so perhaps as much as seven years ago and more recently in the House. However, it is not the Government's view at this time that such a separation is called for and it is not being considered.

As I said earlier, it is not my view that by changing structures we necessarily get better decisions. I would far rather have better human judgments with a defective structure than poor human judgments with an ideal structure. At the end of the day it is people judgments that matter. I am sure that everyone agrees, although some hon. Members have said that people judgments have been brought into question.

Those who argue for a banking commission, a separation of powers, do so on the basis that it would perhaps provide a permanent core of expertise and professionalism in supervision. They argue that an independent supervisor would improve communication with other regulatory bodies such as the Securities and Investment Board which is also concerned about similar judgments on such matters as fit and proper persons. Often the same fit and proper persons are in banks and financial services companies. The SIB sees logic in a similarity of commission of supervision.

It is also argued that there is a conflict of interest between a central bank and the supervision of banks. That was mentioned by the right hon. Member for Berwick-upon-Tweed (Mr. Beith) and by my right hon. Friend the Member for Worthing. It is said that a banking commission would be more accountable to Parliament and might be able to detect a problem bank rather earlier. Some have said that even a strengthened Board of Banking Supervision is not the best way to spot the bad apples in the tray. It has also been pointed out that other countries in Europe, such as Germany, France and Switzerland, have banking commissions. I acknowledge also that there is an argument that, if and when the evolution towards a European central bank is completed, the responsibilities of such a central bank, as far as I am aware, would not encompass supervision of banks, so some changes might be necessary in the light of that.

It remains the Government's position that they do not favour, and do not believe that the report makes the case for, such a separation of powers. A separation would undoubtedly involve a great deal of administrative upheaval and loss of continuity. Bingham and the Government consider that the case for separation is not made by the report, that no system of banking supervision is perfect in detecting dodgy banks, and there is already an established expertise and authority in the Bank of England that we would be reluctant to unsettle.

The hon. Member for Edinburgh, Central spoke about the need for common standards of supervision in the European Community, and I agree about the importance of that. My right hon. Friend the Member for Worthing made a similar point when he spoke about the passporting of banking facilities both within the European Community and from without into this country and other EC states. It is the case that the second banking co-ordination directive will enable such passporting. That is to say, other banks within EC countries will be able to passport their services

into here, and our banks will be able to go to other EC countries. The foreign subsidiaries of banks in other EC states will be able to have branches in this country.

Given all that, it is important that we have common and high standards of banking supervision and prudential control. The second consolidated supervision directive, tied together with the solvency directive, the own funds directive and the deposit guarantee directive, all of which have either been agreed or are in the process of being negotiated, are directed to this end. They should ensure that the high standards that we insist on are more widely promulgated within the European Community and that we are able to withhold from the Community authorisation for banks that do not meet those standards. Outside the Community, one relies much more on the Basle concordat for high and common standards of supervision. The work that is being done and the recent improvement in minimum standards, which was agreed in July, will mark a major step forward in this direction.

Mr. Higgins: Will we be able to withhold authorisation if, in our view, another Community country does not impose standards that are sufficiently high?

Mr. Nelson: We shall not be able to withhold authorisation from a bank that has been authorised elsewhere in the Community. Where we are not satisfied with the system of authorisation and supervision in a country, we intend to address that through the system of peer group review, to which my right hon. Friend referred, by the system within the Community of observance of the directives and infraction proceedings and by the other challenges that can be made. The basis of the peer group review is checking on each other's systems to our own advantage to ensure that they comply with the high standards set by the directives and are common to all EC states.

The hon. Member for Edinburgh, Central spoke, like others, about local authorities, and some have spoken about the list. The Select Committee on the Treasury and the Civil Service has made it clear that the existence, by itself, of a list of banks that have been authorised does not absolve local authorities of the responsibility to husband their resources and to be careful. It is not a guarantee of credit worthiness that an authorised bank appears on a list. It is a point which the hon. Member for Sheffield, Attercliffe (Mr. Betts) also made. It is said that if a local authority, such as Sheffield city council, can learn that it is perhaps not the best quality deposit to make, why should the Treasury not provide that information? I suggest that it is not the Treasury's job to draw up credit ratings of banks or other investment businesses. It can provide to the best of its ability, through an agency such as the Bank of England or others, an authorisation procedure, but individuals and local authorities still have to make their own decisions.

What is proper—it is the recommendation of the Select Committee—is that local authorities should perhaps get together for some central advice on these matters, either through the Chartered Institute of Public Finance and Accountancy or the local authority associations. In the Government's response to the Select Committee's report there is an acceptance and endorsement of that proposal.

The hon. Member for Edinburgh, Central spoke about the limit under the deposit protection scheme and whether it should be raised. The limit is rather more generous than

that which is proposed in the European directive. I know that it is less under the compensation scheme in the investment sector, which is regarded as being a different area in which people put all their money into investments. We are talking, of course, about a compensation scheme that is paid for by the rest of the banking community.

The hon. Member for Edinburgh, Central, with others, raised the wider issue of regulation. There is the prospect of a personal investment authority in the light of some recent remarks. The review that is being conducted by Mr. Andrew Large of SIB's supervision is not a wider review of the entire regulatory system. It is a follow-up to the IMRO investigation of Maxwell. It is an attempt to ascertain whether there is a proper implementation of responsibilities under the Financial Services Act 1986 and whether there are ways in which SIB can sharpen up its act and improve communication. The review is not a re-look at the fundamentals of our statutory-based system of practitioners self-regulation. A separate case may be made for and against that, but Mr. Andrew Large is not engaged in that exercise.

My right hon. Friend the Member for Worthing spoke about the quality of regulators and asked whether special treatment was being provided in the case of BCCI. Indeed, it was special treatment. The Government's response to the report of my right hon. Friend's Select Committee's report concluded that the existence of the college of regulators was in the end responsible for unearthing—

Mr. Higgins indicated dissent.

Mr. Nelson: That was the Government's conclusion. In my view, a reading of the report suggests that it was only when the college got together and was able in consolidation to look into BCCI more adequately that the worms started coming out of the can and became rather more apparent.

My right hon. Friend asked whether there would be blackballing of certain states under the Basle concordat. The answer is no. There will not be blackballing, but there will be new minimum standards, which have been promulgated since 6 July by the Basle arrangements. My right hon. Friend talked also about the case for separation, on which I have already responded.

The right hon. Member for Berwick-upon-Tweed said that the Bank of England was undoubtedly at fault. He said that nobody resigns and nobody pays. We have heard that refrain recently. I hear what he says, but I believe that the conclusions of the Bingham report justify the view that while serious mistakes were made, they have been addressed. The report does not conclude that there was negligence. It is for others to assess the extent to which the mistakes, faults and criticisms are serious or less serious. The Government and the Bank have taken the findings of the report extremely seriously, as reflected in the range of measures announced by my right hon. Friend the Chancellor of the Exchequer.

My hon. Friend the Member for Bromsgrove (Mr. Thomason) said that there is a record of the Bank acting properly and carefully. I was grateful to him for saying that. On a day when there has been much criticism, understandably, cast about the Bank of England, it is important to recognise that it has an outstanding record of supervising our banking system. It is easy to criticise in a case where things may have gone wrong, but it is appropriate to remind the public that the Bank has a good

[Mr. Nelson]

record, over a long period, of fulfilling difficult responsibilities and statutory duties with great ability, sensitivity, and confidentiality.

The hon. Member for Leicester, East (Mr. Vaz) has taken an active part in the BCCI affair for a long time, and I pay tribute to him for his interest. He felt that the Governor of the Bank of England should go, and drew attention to the human plight of those affected by the BCCI fraud. We were all moved by the cases that he recited, and we understand the difficulties confronted by those who lost out, as well as by those who cannot find jobs.

Most reasonable people accept that there are good and bad in any organisation. It is unusual for a company's employees to be wholly bad or wholly good. That being the case, it is unfair and disappointing that many BCCI employees who attended to their duties with great diligence and integrity should be besmirched by events.

The hon. Member for Leicester, East spoke also of compensation and cited Barlow Clowes. I explained in an intervention earlier why I thought that case was different. The hon. Gentleman mentioned the important issue of liquidation fees, as did other hon. Members. I will disclose a few facts, because I feel strongly about that issue. I have tried to do my homework, and the House and the public are entitled to more information.

I understand the restraints and difficulties that confront liquidators, and I must be careful about Government involvement in pressurising or leaning on them. That would be quite improper—but a request to know the facts is not unreasonable. The fees and expenses of the liquidators to date amount to some £69 million. Of that sum, some £28 million was incurred in respect of their role as provisional liquidators prior to the winding-up order on 14 January, and some £48 million since then. The court has approved the payment of fees up to 15 April 1992, since which time—with the authority of the court and the approval of the creditors' committee—they have drawn on account of fees yet to be formally approved.

Fees are currently running at approximately £1 million a week, not all of which is accounted for by the liquidators. Legal and other professional fees amount to some £22 million.

My information is that the cash book receipts of the liquidators in respect of BCCI SA England amounted to just over £325 million, and that cash book payments amounted to £124,684,000—leaving a balance at 15 July 1992 of £200,318,000.

Mr. Vaz: Will the Minister give way?

Mr. Nelson: I am sorry, but I must insist on replying to other hon. Members.

My hon. Friend the Member for Ryedale (Mr. Greenway) said that the Bingham report found no evidence of negligence on the Government's part, and I am grateful for that. He welcomed the proposals on auditors

and spoke with great knowledge about the PIA, the Insurance Brokers' Registration Council, and the 49 per cent. limit—to which he has drawn my attention before.

The hon. Member for Western Isles (Mr. Macdonald) said that although the report did not find evidence of negligence, its findings pointed to that. He said that the Bank of England was too easily deterred by BCCI in 1984. The reasons, though not wholly accepted by Lord Justice Bingham, are given in paragraphs 244 and 245. The hon. Gentleman said that not all criticisms were made with the benefit of hindsight, and I believe that is accepted.

My hon. Friend the Member for Spelthorne (Mr. Wilshire) spoke of the death of a constituent. He said that the treatment in Abu Dhabi was appalling and that he wanted a complaint lodged. There have been discussions at the highest level.

The right hon. Member for Lagan Valley (Mr. Molyneux) said that as the legislation was defective, compensation should be paid. He also raised the case of Mr. George Finbar Ross. I shall take both his comments very seriously, and examine them carefully.

My hon. Friend the Member for Dover (Mr. Shaw) made a thoughtful and realistic speech. I am most grateful to him for the way in which, in measured tones, he defended both the Bank of England and its Governor. In contrast, the hon. Member for Neath (Mr. Hain) attacked self-regulation and City ethics. He made wounding remarks to me personally, describing me as bland and complacent; and he called the Governor dishonest, a charge which he should certainly withdraw. I think that every other hon. Member will agree that, without doubt, the Governor is a man of total integrity. He needs to be defended, and I consider that what the hon. Gentleman said went way over the top. He was paranoid about the role of British security.

I am grateful to my hon. Friends the Members for Sutton and Cheam (Lady Olga Maitland), to the hon. Member for Attercliffe—

It being half past Two o'clock, the Motion for the Adjournment of the House lapsed, without Question put.

MAINTENANCE ORDERS (RECIPROCAL ENFORCEMENT) BILL [LORDS]

Ordered,

That, in respect of the Maintenance Orders (Reciprocal Enforcement) Bill [*Lords*], notices of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time.—[Mr. Bosworth.]

LIAISON

Ordered,

That Mr. Robert Adley, Sir Nicholas Bonsor, Mr. Richard Caborn, Mr. Bob Cryer, Mr. Frank Field, Mr. Jimmy Hood, Mr. Terence L. Higgins, Mr. David Howell, Mr. Greville Janner, Mr. Robert B. Jones, Mr. Gerald Kaufman, Mr. Archy Kirkwood, Sir Ivan Lawrence, Mr. William McKelvey, Mrs. Marion Roe, Sir Giles Shaw, Mr. Robert Sheldon, Sir Malcolm Thornton, Mr. Gareth Wardell, Mr. John Watts and Mr. Jerry Wiggin be members of the Liaison Committee.—[Mr. Bosworth.]

Military Ceremonial Duties

Motion made, and Question proposed, That this House do now adjourn.—[Mr. Boswell.]

2.31 pm

Dr. Charles Goodson-Wickes (Wimbledon): I declare an interest at the outset as a reserve officer in The Life Guards who has in the past served in both the service regiment and the Household Cavalry Mounted Regiment. I am delighted that you are in the Chair, Mr. Deputy Speaker, as I know of your family connections with the Army.

I am grateful for the opportunity to address the subject of military ceremonial duties. It is important both in itself and as a case study of what I believe to be the ill thought out implications of "Options for Change". A Friday Adjournment debate, when most hon. Members are in their constituencies, is never a well attended occasion, but I especially welcome my right hon. Friend the Member for Southend, West (Mr. Channon) and others. Many more hon. Members have sent messages of support.

It was Harold Macmillan who once wisely advised that any Government took on the National Union of Mineworkers or the Brigade of Guards at their peril. Just over a fortnight ago, the Government succeeded in taking on not one but both, and—in defiance of all military principles—opened two fronts on the same day. The debate on the pit closures conveniently disguised the fact that dramatic reductions in the Household Division were being confirmed by means of a written answer. The House has thus had no opportunity until now to consider the matter.

For some 18 months, discussions on what I believe to have been a well-informed basis have been taking place with successive Secretaries of State for Defence, and with my right hon. Friend the Minister of State for the Armed Forces. He will know that a group of us—I should like my remarks to be associated with our former colleagues the right hon. Robert Boscawen and Sir Charles Morrison—also took our case to our right hon. Friend the Prime Minister. The strength of our arguments was recognised, but I submit that no adequate answer—let alone any significant concession—has emerged. I make an exception for the welcome retention of the Ceremony of the Keys at the Tower of London.

In his typically generous way, my right hon. Friend—along with my right hon. and learned Friend the Secretary of State for Defence—has apologised to me and, by implication, to the whole House, for failing to give proper notice of the decision. I do not wish to dwell on the issue, but it was indeed curious that the military seems to know more about the proceedings of this House than hon. Members do, despite numerous inquiries to the Ministry of Defence and to business managers.

At the risk of sounding trite, let me say that the Government's decisions on the two issues ensured that the miners went on the march, but put in grave doubt the Household Division's ability to do so in a way that is compatible with its incomparable history, standards and reputation. I wish to sketch my grave reservations, the legitimacy of which can be supported by statistics in my possession. I shall try not to bog the House down in a mass of figures, however, as those might obscure fundamental arguments. I also wish to ensure that my right hon. Friend has an opportunity to reply.

The overriding aim of the Household Division is to produce first-class operational soldiers who also provide the finest ceremonial in the world—a unique dual role. The fact that they have been able to do so for centuries is a tribute to the skill and dedication of officers, NCOs, guardsmen and troopers to uphold standards that have long been forsaken elsewhere. Their ability to continue these commitments is, I submit, being severely undermined by the Government's proposals.

There are two component parts to the problem, the Foot Guards and the Household Cavalry, which I put in the context of the need to reduce the Army in this changed, but still highly unstable, world and the inevitable pressure of the public expenditure round. The Foot Guards are to be reduced from eight to five battalions—a cut substantially larger, in percentage terms, than those in the infantry as a whole. The House should not forget that the Household Division in London and elsewhere not only supports the monarchy but shows off this country to its best advantage in terms of prestige and excellence.

The ceremonial duties, with their colour and music, are carried out supremely well. The troops, in a brilliantly British way, act as a reserve force. They are financially self-supporting, by virtue of the tourist industry. They could be used at any time to give security to the capital and to maintain public order. No more efficient or cost-effective set-up is conceivable. What is that very special institution now being required to do? It is being required to accept duties which range from the Queen's Birthday Parade, through state visits, guards of honour, the Cenotaph parade, the State Opening, and so on, which may mean Foot Guard battalions being based in London district for eight to 10 years as against the present maximum of around five years, which is already considered unacceptable. That period of eight to 10 years will be interrupted only by six months of unaccompanied emergency tours to Northern Ireland.

What sort of future does that offer to soldiers and their families in terms of career progression and quality of life? I cannot see a great rush to take on or to maintain such daunting and demanding duties. Already officers and men of the Foot Guards and the Household Division generally—the very people whom they least want to lose—are applying for redundancy.

The Government tell us that nobody will notice that the Birthday Parade has been cut from eight to six guards. The precedent of the Falklands campaign is prayed in aid. I suggest that at that time the country's thoughts were concentrated at least as much on the Foot Guards fighting far afield, as on a reduced parade. It may suit the Government to settle on a six-guard parade, but it will soon become clear that that is the maximum.

Where shall we obtain extra fighting soldiers, if the Army is stripped to a skeleton? The Foot Guards are not up to strength now and rumours of imminent recruit capping abound. Initially what the Secretary of State describes as "discretionary commitments"—by this curious term I imagine that he meant the deployment of troops in the Gulf and Bosnia, let alone other unforeseen emergencies—will have implications for the Foot Guards, on top of the difficulties of fulfilling our commitments in Northern Ireland and elsewhere. The very existence of the Birthday Parade as a proper spectacle worthy of the monarch must be put in doubt.

As for the position of the Household Cavalry, historically it is made up of two regiments—The Life

[*Dr. Charles Goodson-Wickes*]

Guards and the Blues and Royals. Powerful though the arguments are over the Foot Guards, the Household Cavalry's problems are much more acute. Nearly three weeks ago The Life Guards and the Blues and Royals underwent the most extraordinary process—a so-called “union”, by which two service regiments were brought together but still wearing separate cap badges.

In addition to its duties as an armoured reconnaissance regiment, it will be expected to find the Mounted Regiment in London not from two service regiments but from one. In other words, there will be the same commitment but from a different base. It will also be expected to continue to carry out ceremonial duties of a highly sophisticated kind from that reduced base. No other formula would be so certain a guarantee of damaged career prospects, disillusion and overstretch.

Neither my right hon. Friend the Minister of State for the Armed Forces or I doubt the willingness of the Household Division as a whole to make the proposal work—that is its ethos. However, serving soldiers are in a peculiarly inhibited position from which to express their strong doubts as to the medium-term and long-term sustainability of the plan, especially as the initial reorganisation would mask the problem for a while. Soldiers cannot speak up for themselves if they consider the Government's plan unworkable. They will continue to struggle to make it work, but the mathematics prove that it will not.

The most infuriating aspect for the Household Cavalry is that the solution is instantly available. There is a perceived need for a third regular *recce* regiment for the rapid reaction corps. I suggest to my right hon. Friend that if “union” is to be more than clever semantics and there is a true distinction between it and “amalgamation” either The Life Guards or the Blues and Royals could take on that role.

I know that the Foot Guards are grateful for their increment, and the Household Cavalry for its training wing, albeit both look better on paper than in practice, but those are not enough.

My right hon. Friend has it in his power to rectify the situation, and I wish to give him time to reply specifically to what I have said rather than to regurgitate old and, I suggest, discredited arguments. I wish to press him on the following three points, which his long experience as Minister of State for the Armed Forces will enable him to answer.

First, will he confirm that reservations and caveats have been expressed in many of the most experienced quarters both through the chain of command and through other channels? That is question number one.

Question number two is: will he confirm that an undertaking has been given that no additional pressure will be brought to bear on the Household Division? As a rider to that question, will he further confirm that never again will there be more than two state visits a year?

The third and most important question is: will he confirm on the record that a verbal undertaking has been given both by the Prime Minister and by the Secretary of State for Defence that the proposals for the Household Division are for a trial period only, and that if the reductions prove unworkable the whole situation will be reviewed?

Without those assurances I believe that what has been admitted to be a highly theoretical exercise will have to be rethought immediately, before it is too late to retrieve them situation. Only in that way can the country continue to maintain the military expertise and excellence for which it is so widely respected throughout the world.

2.42 pm

Mr. Paul Channon (Southend, West): I am grateful to my hon. Friend the Member for Wimbledon (Dr. Goodson-Wickes) for allowing me a moment or two to take part in the debate. I agree with every word of his argument.

The House knows that we do not have to have ceremonial duties in London if the Government of the day think it a bad idea. Nevertheless, it would be foolish to abandon them, and if we are to have them we must ensure that those who carry them out are given the opportunity and the conditions in which to do so without appalling strain being put upon them. If they are not, the present state of affairs cannot survive long.

I ask my right hon. Friend the Minister of State for the Armed Forces to give us two assurances when he replies to my hon. Friend the Member for Wimbledon. The first is that if the situation that the Government have imposed on the Household Division does not work, it will be kept under careful review and changes will be made if that proves necessary. Secondly—again I echo what my hon. Friend has said—will my right hon. Friend ensure that no additional pressures are brought to bear upon soldiers who already face a very difficult and demanding task in London? If he cannot give those assurances, the new arrangements will remain extremely unsatisfactory and the Government should not countenance them.

Is it really the case that the Foot Guard battalions will be kept in London for up to eight years? If so, I cannot believe that that arrangement can last for long.

The public like ceremonial duties; they appreciate them. There is no doubt that the amount of tourism that is attracted by those ceremonial duties means that they represent one part of the armed forces that clearly pays for itself. Those duties are not, of course, essential to the defence of Britain, but I believe that if they are to be undertaken, they must be done well. My right hon. Friend owes it to those who undertake those duties now and those who will undertake them in the future to ensure that the new arrangements work. Everyone concerned wants to make them work, but I doubt whether they can—I hope that I am wrong.

If those arrangements do not work I urge the Government to give us an assurance that this matter will be kept under review. I also urge them to ensure that no undue strain is put on the Footguard battalions or on the Household Cavalry in undertaking the task that they have been given in the difficult conditions set by the Government.

2.45 pm

The Minister of State for the Armed Forces (Mr. Archie Hamilton): I congratulate my hon. Friend the Member for Wimbledon (Dr. Goodson-Wickes) on securing this debate. I know that he takes a great interest in this matter. I also know that my hon. Friend and my right hon. Friend

the Member for Southend, West (Mr. Channon) have been to see my right hon. and learned Friend the Secretary of State to discuss their concerns at some length.

Hon. Members will be aware of the background to the Army restructuring, which is now under way and I do not wish to dwell unduly on that. As part of the restructuring it was decided that the Foot Guards should reduce, as my hon. Friend has already said, from eight battalions to five; and that the Life Guards and the Blues and Royals, who already work together in the Household Cavalry Mounted Regiment, should unite into a single regiment to be known as the Household Cavalry Regiment, while retaining their individual identities.

Clearly, with the reductions, the dismounted public duties undertaken by the Foot Guards had to be tailored to the new situation. To this end, an interdepartmental working group was set up to consider who reductions in the public duties commitment could be achieved without adversely affecting the conduct of ceremonial or the security of the royal family. The royal household, the Home Office, the Metropolitan police, the Department of the Environment—supported by the Historic Royal Palaces Agency—were all involved in the process. As I announced to the House in a written answer on 21 October, a number of measures were identified by the working group which will reduce requirements for the employment of Foot Guards on public duties while maintaining essential security and appropriate ceremonial duties. I reported that Her Majesty the Queen had graciously agreed to the measures and that they will be implemented between now and 1994. I also placed in the Library of the House a document providing full details of the changes.

These changes are sufficient to achieve the greater part of the target reduction in Foot Guards manpower effort. Bearing in mind, however, that one of the three battalions to be based in London in the future will often be deployed in Northern Ireland or on a short overseas tour, each of the three London-based battalions will, as I have announced, be supplemented by a public duties increment of about 100 guardsmen, who will remain in London when a battalion is temporarily deployed elsewhere.

I want the House to understand that the main objectives and features of dismounted public duties will be largely unaffected by these measures. In most cases, the changes will only be noticeable to the more expert onlooker. I certainly do not believe that there is cause for alarm, and if there was concern previously, it ought to have been allayed by the measures that have been announced.

I would like, if I may, to consider briefly mounted public duties, where, as I stated in a written answer to my right hon. Friend the Member for Southend, West on 26 October, there is to be no change. The Household Cavalry Mounted Regiment, as part of the new Household Cavalry Regiment, will continue to consist of one squadron from each cap badge, and its duties will continue as they are now.

I ought also to make mention of the Royal Horse Artillery who will continue, as now, to fire ceremonial salutes at state occasions, and to take over the Queen's Life Guard when the Household Cavalry Mounted Regiment is on annual training camp.

It has been argued in some quarters that the Household Division should somehow have been exempt from the restructuring process. I think most hon. Members will

agree that that would have been wrong and unfair to the other arms and corps which were required to make changes. I fail to understand how it would have been possible for the Government to have amalgamated a number of different infantry regiments going back a long way while the Foot Guards kept its second battalion. The Grenadiers, Scots and Coldstream Guards haven't.

That being so, the challenge was to come up with a package of measures which enabled the required reductions to be made with minimum impact, both on the level of public duties and on the careers of the individual soldiers and officers of the Household Division. I am confident that the measures I have announced meet that challenge.

A particular concern expressed by my hon. Friend relates to commitments and overstretch. It is clearly in no one's interests to place the Foot Guards in a position where they cannot meet their commitments without an unreasonable amount of disruption. I assure the House that it was our firm intention that the reorganisation would not impose undue strain on the Foot Guards, nor be too tight.

I do not deny that, with the reduced number of Foot Guards battalions, there will be some pressures. But I am confident that, with the reductions in the scale of dismounted public duties to which I have referred, together with the public duties increment of requisite size and the achievement of full manning, they will be able successfully to carry out their tasks.

Mr. Andrew Robathan (Blaby): The Minister referred to the public duties duties increment. If someone is expected to spend many more years in public duties, there is no way for that person to become a good operational soldier at the same time. The Household Division has a history of providing elite soldiers who have done well in battle. They cannot do that if they do nothing but drill.

Mr. Hamilton: It is not a question of them doing nothing but drill. For those going on the Northern Ireland roulement, there is an extensive period of training before duties start. I accept that the Household Division has had extremely high standards in Northern Ireland and I am sure that that will continue to be the case. It is wrong to give the impression that they come straight from doing drill to carrying out tasks in Northern Ireland. That is not the case and, as I have explained, there is an extensive training programme first.

I assure the House that the Household Division has been thoroughly consulted throughout. That covers the point that was raised about reservations and caveats through the chain of command. The chain of command has been consulted extensively and some of the concerns that have been raised have been met, for instance with the increase in the increment, which was originally intended to be at a somewhat lower level.

We have been told by the chain of command that this will work and that it is more than prepared to ensure that it will. If my hon. Friend is telling me that the chain of command has other reservations, I must say that those reservations are not coming to me. In the circumstances, they should come to me; people should not be saying that the measures will not work when they are telling the chain of command that they will.

Dr. Goodson-Wickes: I imagine that my right hon. Friend is speaking from an entirely up to date position.

[*Dr. Goodson-Wickes*]

Will he undertake that if representations reach him following today's debate, he will fully consider them and discuss their implications with interested parties?

Mr. Hamilton: At this stage we are moving on—this bears on the question asked by my hon. Friend the Member for Wimbledon about a trial period—and are not talking in terms of a trial period. I am also answering the remarks of my right hon. Friend the Member for Southend, West when I say that we shall keep the matter under careful review. If at some stage it is found not to be working, we are not so inflexible as not to try to make it work better.

The Army is in a constant state of change and nothing that happens at any stage is necessarily set in concrete and perpetuity. Much consultation has gone into the matter and we are confident that the system will work. If at some stage we find that it is not working as we anticipated, we shall look at it again.

I mention full-manning because I know that it is of interest to hon. Members and, clearly, it is an important factor in making the changes workable. On current manning forecasts for the Army as a whole, we are confident that full manning is achievable: fewer recruits being required for a smaller Army. There is no reason to suppose that the Foot Guards will not benefit from that as much as the other arms and corps. If, however, circumstances were to prove that we had been over-confident in our predictions, we would look again. But at the moment we judge that it is right to press ahead.

I wish to take up the point about manning levels and the Foot Guards. They will be affected by the capping of recruiting levels, which is only sensible if we are moving towards the amalgamation of battalions. We do not want them at full strength at the time when they are amalgamated. I therefore imagine that the numbers of those regiments that are being amalgamated are being reduced.

I know that the structure of the new Household Cavalry Regiment has caused some concern. It has even been suggested that its structure is extraordinary and suspect. While it is certainly true that the union is unlike any of the other amalgamations that are taking place, in that the two former regiments will retain their separate identities, that does not make it suspect or unworkable. The two regiments have shown that they can successfully work together in the Household Cavalry Mounted Regiment, and there is no reason why that same spirit cannot be carried through to the new combined Armoured Reconnaissance Regiment. Those who have the interests of the regiments at heart will, I am sure, seek to make the new arrangements work.

I should like to conclude this afternoon by stating some general principles that underlie this whole debate.

Mr. Cyril D. Townsend (Bexleyheath): Before my right hon. Friend concludes, will he assure those like me who fear that, having gone through that painful "options for change" exercise, we shall be rapidly overtaken by further defence cuts and reductions in manpower for the British Army?

Mr. Hamilton: I wish that I could give my hon. Friend all the undertakings that he wants. My hon. Friend will have to wait until we hear the announcement next week to

see how it affects defence. Indeed, we shall have to see what the position is. I share many of his concerns. The Army is certainly under a lot of pressure at the moment and I have always made it clear that, if the Army were involved in long-term commitments that were more than we could meet with our existing levels, we would have to look at the matter again. That position has not changed. So I accept that, if we are to have very long-term commitments in Yugoslavia and if the increased numbers in Northern Ireland become a permanent feature, we shall have to see how all that works out.

Dr. Goodson-Wickes: My right hon. Friend has kindly dealt with two of the questions that I raised, but he has not answered the one about additional pressure on the Household Division; nor has he answered my question about the number of state visits a year.

Mr. Hamilton: I shall come to that. On additional pressures, it is difficult to give my hon. Friend carte blanche that nothing will be asked of the Foot Guards beyond what they are doing now. We do not intend to heap other long-term commitments on to them in terms of public duties and what they are doing at the moment.

On the question of two state visits a year, that is certainly our long-term plan, but there is a plan to have three next year. Beyond then, we are working on the assumption that there will be two.

The twin roles of the Household Division are to be first-class operational soldiers, and also to provide the finest military ceremonial in the world. That is not in dispute. The exacting nature and demands of ceremonial are well appreciated by the Army. The quality of the Household Division's ceremonial in London derives from specific training, from tradition, and from those qualities that military discipline confer. Although resources are limited, and what we can achieve has to be a compromise with the best that is attainable in the circumstances, I am confident that our ceremonial will continue to be second to none.

I would caution the House against taking an overly pessimistic view of the consequences of that restructuring. There will undoubtedly be some difficulties arising from the reduced pool from which soldiers may be drawn for mounted training; and some loss of flexibility with the reduction from eight to five battalions of Foot Guards. We do not believe, however, that there are any insurmountable problems ahead.

It is true that the achievement of full manning is important to the success of the restructuring, both here and elsewhere. The suggestion, however, that if that is not absolutely achieved then the whole situation will unravel is unduly alarmist. We are, as I have explained, confident that something approaching full manning is achievable.

As far as the Household Cavalry is concerned, we do accept that some action is needed to increase proportionally the number of soldiers that are mounted trained, and to that end, we are establishing a training wing at Windsor.

As for the Foot Guards, we do not accept that the loss of three battalions will make it impossible to maintain a reasonable balance between ceremonial and operational duties. We are concerned that dismounted public duties should continue to be carried out in a fitting manner. We have therefore looked very carefully at the balance of tasking and the availability of manpower. We are satisfied that the numbers available to the Household Division

should be sufficient and that the Army is intent on making the new arrangements work. As Ministers have said on more than one occasion when faced with scepticism about the adequacy of Army resources, we are quite ready to look again at particular issues if practical experience demonstrates the need to do so. I do not believe that that is likely in the case of dismounted public duties.

I do not see a need to depart from the agreed restructuring arrangements that were announced to the House on 21 October. The situation will, however, be kept under review. If it became clear that remedial measures were required, I can assure the House that action will be taken.

Question put and agreed to.

Adjourned accordingly at Three o'clock.

1. The first part of the paper discusses the importance of the study of the history of the United States. It is argued that a knowledge of the past is essential for a full understanding of the present and for the development of a sound policy for the future. The author points out that the study of history is not only a means of satisfying a natural curiosity about the past, but also a means of developing a sense of responsibility for the future.

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Written Answers to Questions

Thursday 5th November 1992

[Continuation from column 350]

SCOTLAND

Murderers

Mr. Gallie: To ask the Secretary of State for Scotland how many individuals convicted for murder and sentenced to life imprisonment have been released and thereafter convicted for a further murder since 1985.

Lord James Douglas-Hamilton [holding answer 3 November 1992]: A total of four individuals, having been convicted of murder and subsequently released from life imprisonment, have thereafter been convicted of a further murder since 1985.

Appointments

Mr. Redmond: To ask the Secretary of State for Scotland if he will list all the names of public appointments that he has made, giving the period for which the appointment was made, relevant qualifications of the appointees and what remuneration each currently receives.

Mr. Lang [holding answer 2 November 1992]: As the information sought is extensive, I shall provide the hon. Member with a list of those I have appointed since becoming Secretary of State for Scotland and who currently hold their appointments. I am also arranging for copies of the list to be placed in the Library of the House. It shows the body on which they serve, the length of the appointment and, where appropriate, the remuneration. Information on relevant qualifications held, and on appointments, other than those of chairmen and deputy chairmen, is not held centrally and could be obtained only at disproportionate cost.

Home and Health Department

Mr. Nigel Griffiths: To ask the Secretary of State for Scotland what assessment has been made of the extent to which the grants awarded by the Home and Health Department are giving value for money; and if projects are being vetted adequately.

Mr. Allan Stewart [holding answer 2 November 1992]: Grants are awarded by the Scottish Office Home and Health Department for many projects falling under that Department's areas of responsibility. In each case, strict guidelines and conditions are laid out relating to the use of grant aid and must be accepted in writing by prospective recipients prior to any funds being advanced. Thereafter, projects are monitored and evaluated on a regular basis throughout the life of the grant aid and, where appropriate, the annual accounts of the recipient bodies are required to be submitted to the Department. Increasingly, grant recipients are being required to produce business plans and are being set performance

targets. All these measures serve to assist value-for-money examination and I am content that the projects are being vetted adequately.

NATIONAL FINANCE

Agencies

Mr. Redmond: To ask the Chancellor of the Exchequer if he will list by grade the numbers of staff and their cost for 1991-92 and the estimated figures for 1992-93 for each executive agency for which he is responsible.

Sir John Cope: The information requested falls within the responsibility of the chief executives of the Royal Mint, Central Statistical Office, and Valuation Office agency. A copy of the question has been passed to each and they have been asked to reply direct to the hon. Member.

Letter from A. D. Garrett to Mr. Martin Redmond, dated 2 November 1992:

The Chancellor of the Exchequer has asked me to respond to your above Written Question concerning the numbers of staff and their cost for 1991-92 and estimates for 1992-93.

The information you require is set out on the attached sheet.

Royal Mint Numbers Employed and Employment Costs

	1991-92 (Actual)	1992-93 (Estimated)
1. Staff Costs		
a. Wages/Salaries	£16,883,000	£17,595,000
b. Other employment costs	£3,274,000	£3,681,000
Total	£20,157,000	£21,276,000
2. Staff Numbers		
a. Industrial	656	647.5
b. Non-Industrial	384	379.5
Total	1,040	1,027.0

Non-Industrial Grade Breakdown

3. Grade	Numbers	Numbers
G3	1.0	1.0
G4/5/6	5.0	5.0
G7	11.0	11.0
SEO/SPTO/SSO	28.0	27.0
HEO	17.0	17.0
EO	50.0	53.0
AO	95.0	93.5
AA	16.5	13.5
SPS	1.0	1.0
PS	6.0	6.0
Typing Manager	1.0	1.0
Typists	8.0	8.0
Telephone Operator	1.0	1.0
Senior Messenger	2.0	2.0
Car Driver	3.0	3.0
Messenger	5.0	5.0
Cleaner	5.0	4.5
Curator 'F'	1.0	1.0
HPTO/HPO	19.0	21.0
PTO/PO	79.0	76.0
HSO	4.0	3.0
SO	15.0	15.0
TG1	1.0	2.0
P and GSD	3.0	3.0
Laboratory Assistant	0.5	0.5
Engraver 2	5.0	5.0
Engraver 3	1.0	0.0
Total	384	379.5

Letter from W. McLennan to Mr. Martin Redmond, dated 4 November 1992.

As Chief Executive of the Central Statistical Office I have been asked to respond to your Parliamentary Question of 28 October to the Chancellor of the Exchequer about staff numbers and costs.

The attached gives numbers of staff for the CSO by grade and their salary costs for 1991-92, and estimates for 1992-93 as requested.

I also enclose a summary of the CSO financial account for 1991-92, and our provision for 1992-93, which show a breakdown of running and capital costs.

Central Statistical Office staff numbers and costs 1991-92

Grade	1991-92 Average staff ¹ in post (numbers)	1991-92 Salary costs ² (£s)
Grade 1A	1.0	78,665
Grade 2	1.0	59,434
Grade 3	3.0	157,748
Grade 4	1.0	46,908
Grade 5/6	22.0	950,157
Grade 7	69.0	2,012,780
Senior Executive Officer	35.5	886,350
Senior Assistant Statistician/ Assistant Statistician	23.5	446,252
Higher Executive Officer	139.5	2,661,887
Executive Officer	277.5	4,147,744
Administrative Officer	387.5	3,878,150
Administrative Assistant	65.00	581,052
Higher Graphics Officer	1.0	20,446
Graphics Officer	3.0	53,256
Senior Information Officer	1.0	23,582
Information Officer	1.0	19,301
Assistant Information Officer	1.0	12,411
Mapping and Charting Officer	1.0	18,588
Librarian	1.0	18,423
Assistant Librarian	1.0	10,092
Typing Manager	2.0	33,243
Senior Personal Secretary	3.0	51,799
Personal Secretary	22.0	327,706
Typist	16.0	158,073
Support Manager III	1.0	11,101
Support Grade Band I	6.0	64,690
Support Grade Band II	17.5	142,415
Proof Reader	—	3,439
Sandwich Students	—	48,644
Total	1,103	16,924,336

Central statistical office staff numbers and costs 1992-93

Grade	1992-93 average staff ¹ in post projected (numbers)	1992-93 salary costs ² (£s)
Grade 1A	1.0	81,375
Grade 2	1.0	63,106
Grade 3	3.0	165,992
Grade 4	1.0	49,588
Grade 5/6	25.0	1,097,079
Grade 7	75.5	2,291,149
Senior Executive Officer	46.0	1,098,966
Senior Assistant Statistician/ Assistant Statistician	725.5	433,386
Higher Executive Officer	156.5	3,062,872
Executive Officer	325.0	4,942,119
Administrative Officer	435.0	4,536,299
Administrative Assistant	66.0	553,072
Higher Graphics Officer	1.0	21,121

Grade	1992-93 average staff ¹ in post projected (numbers)	1992-93 salary costs ² (£s)
Graphics Officer	3.0	52,506
Senior Information Officer	1.0	24,403
Information Officer	1.0	20,388
Assistant Information Officer	1.0	13,358
Mapping and Charting Officer	1.0	18,328
Librarian	1.0	19,317
Assistant Librarian	1.0	15,582
Typing Manager	2.0	28,498
Senior Personal Secretary	3.0	54,264
Personal Secretary	22.5	331,926
Typist	16.0	183,073
Support Manager III	1.0	11,668
Support Grade Band I	6.0	62,306
Support Grade Band II	19.0	164,363
Total	1,240	19,396,104

Notes:

¹ Part-time staff counted as 0.5

² Salary costs include:

- (i) basic salary
- (ii) allowances
- (iii) London weighting (where applicable)
- (iv) casual salaries
- (v) overtime/travel time

*Receipts and Payments Account for the year ended 31 March 1992
and Provision for year ending 31 March 1993*

	1991-92 Outturn £'000	1992-93 Provision £'000
Running Costs		
Staff Costs	18,995	23,020
Post and telecommunication	692	950
Accommodation	4,167	4,604
Computers and office machinery	1,746	1,556
Stationery and supplies	197	210
Printing and binding	224	203
Library and publicity	225	262
Consultants fees	300	676
Payments for statistical surveys	299	277
Payments to other government departments	4,892	5,724
Other expenses	32	108
Total running costs	31,769	37,590
Capital		
Computers	2,032	3,744
Telecommunications and office machinery	67	81
Furniture and supplies	297	939
Total capital	2,396	4,764
Payments to civil superannuation vote	79	114
Total gross payments	34,244	42,468
Less receipts appropriated in aid	1,151	2,231
Net cost of operation	33,093	40,237

Letter from R. R. B. Shutler to Mr. Martin Redmond, dated 2 November 1992:

In your question to the Chancellor ref: 203 you ask for a list by grade of the number of staff within the Agency and their cost for 1991-92 and the estimated 1992-93 details.

The information you have requested is detailed on the attached table.

*Valuation Office Agency
Average staff in post by grade*

	<i>Actual 1991-92</i>	<i>Estimated 1992-93</i>
<i>Professional staff</i>		
Chief executive	1.00	1
Grade 3	2.00	2
Grade 4	3.33	3
Grade 5	22.17	22
Grade 6	171.00	180
Grade 7	429.95	444
Senior valuer	629.83	671
Valuer	261.87	281
Graduate valuer	159.41	113
Assistant valuer	171.59	167
Cadet valuer	281.29	265
Sandwich course student	39.40	75
Vacation student	3.16	—
HEO technician (casual)	—	107
Total	2,176.00	2,331
<i>Non professional staff</i>		
Grade 6	5.00	5
Grade 7	15.08	12
Senior valuation executive	42.25	40
Staff officer	199.75	200
Valuation technician	937.41	930
Valuation clerk	870.04	850
Revenue assistant	1,045.33	1,384
Secretarial/typing posts	340.32	340
Support grades	21.82	23
Total	3,477.00	3,784
Grand total	5,653.00	6,115
	<i>£ million</i>	<i>£ million</i>
<i>Staff costs</i>		
Salaries, wages and allowances and social security costs	96.554	112.241
Other pension costs	14.406	15.200
	110.960	127.441

Inland Revenue (Headquarters)

Mr. Soley: To ask the Chancellor of the Exchequer what are the revised cost estimates of the new Nottingham headquarters building for the Inland Revenue; and what are the expected annual savings to the Treasury.

Mr. Dorrell: The construction work for the project for a new Inland Revenue building in Nottingham is currently at the tendering stage. Consequently the cost estimates for the various work packages remain, at present, commercial-in-confidence. It is fully expected that the outturn will be within the agreed budget for the project.

The currently estimated annual net accommodation and pay savings are around £12 million from 1996-97 following completion of the project.

Housing Loans

Mr. Dafis: To ask the Chancellor of the Exchequer what percentage of mortgage interest relief at source payments are currently made to households earning (a) over £50,000 per annum, (b) over £35,000 per annum, (c) under £20,000 per annum, (d) under £10,000 per annum and (e) under £5,000 per annum.

Mr. Dorrell: Provisional estimates for 1992-93 based on projected information from the 1990 family expenditure survey and the 1989-90 survey of personal incomes are in the table.

Range of total income with percentage of total cost of mortgage interest relief

<i>£</i>	<i>Per cent.</i>
Up to 5,000	4
5,001 to 10,000	6
10,001 to 20,000	38
20,001 to 35,000	37
35,001 to 50,000	9
Over 50,000	6
Total	100

Inheritance Tax Exemptions

Mr. Dafis: To ask the Chancellor of the Exchequer if he will now make it his policy to allow public access to information on successful applications for conditional inheritance tax exemption where the conditions referred to within the application refer to public access to land.

Mr. Dorrell: Reasonable public access is required to all scenic land which is conditionally exempt from inheritance tax. The heritage advisory agencies, including the Countryside Council for Wales, can supply information about public access to heritage land including conditionally exempt land. To protect taxpayers' confidentiality, the conditionally exempt land cannot be separately distinguished.

Mr. Dafis: To ask the Chancellor of the Exchequer if he will make it his policy to overturn conditional exemptions from inheritance tax payments where it has been proved that the conditions set out concerning public access have not been fulfilled.

Mr. Dorrell: The undertakings providing for public access to land and buildings which have been conditionally exempted from inheritance tax are monitored by the relevant heritage advisory agencies. Where breaches cannot be resolved in discussion between the agencies and landowners, the agencies will notify the Inland Revenue. To date, there has been no occasion on which they have had to do this. Undertakings providing for public access to conditionally exempt chattels are monitored directly by the Inland Revenue.

If an owner refuses to observe any undertakings given in respect of conditional exemption, inheritance tax is charged on the current value of the property. This provides a powerful incentive for the owner to honour the terms of the undertakings.

Mr. Dafis: To ask the Chancellor of the Exchequer if he will make it his policy to ensure that all public rights of way granted as part of conditional exemptions from inheritance tax appear on subsequent editions of Ordnance survey maps.

Mr. Dorrell: Definitive public rights of way which result from the conditional exemption from inheritance tax of scenic land will appear on subsequent Ordnance Survey maps. Decisions on what other paths or forms of public access are shown on the maps are a matter for the chief executive of Ordnance Survey.

Mr. Dafis: To ask the Chancellor of the Exchequer if he will make it his policy to apply the definition of public access outlined in the National Parks and Access to the Countryside Act 1949 when evaluating applications for inheritance tax exemptions under the Inheritance Tax Act 1984.

Mr. Dorrell: No. The heritage advisory agencies advise the Inland Revenue as to what constitutes reasonable public access to land for which conditional exemption from inheritance tax is claimed. The access arrangements for each case are considered individually on the basis of its own facts. Adopting the approach in the 1949 Act would allow the landowner to deny public access in some circumstances where it is currently sought in return for the conditional inheritance tax exemption.

Mr. Dafis: To ask the Chancellor of the Exchequer if he will state for each year since 1986, in Wales, (a) the number of successful applications for conditional exemption from inheritance tax, (b) the number of such applications related to land and (c) the minimum total estimated value of such land.

Mr. Dorrell: The number of designations for conditional exemption from inheritance tax of all types of heritage property in Wales could only be provided at disproportionate cost. Since 1976 there have been five successful applications for conditional exemption of heritage land in Wales. Where conditional exemption from inheritance tax is granted it is not necessary to establish the value of the land.

Energy Review

Mr. Simon Hughes: To ask the Chancellor of the Exchequer what contribution his Department will be making to the energy review; and if he will make a statement.

Sir John Cope: My Department will be playing a full part in the review.

Drug Seizures

Mr. Wilshire: To ask the Chancellor of the Exchequer if he will list by type, number of seizures and weight all drug seizures made by Her Majesty's Customs and Excise at Heathrow airport during each of the past 12 quarters.

Sir John Cope: The number of drug seizures by type and weight made at Heathrow Airport in each of the past 12 quarters is as shown in the table.

Schedule			
Period and type	Seizure numbers	Weight (in grammes)	Numbers
<i>December 1989</i>			
Amphetamine	3	12.016	—
Cannabis herbal	127	536,326.400	—
Cannabis liquid	2	4,401.500	—
Cannabis resin	88	14,194.204	—
Cocaine	32	22,307.420	—
Diamorphine	44	39,507.421	—
LSD	3	—	973
Other	11	232.580	—
<i>March 1990</i>			
Amphetamine	5	8.880	—
Cannabis herbal	116	229,290.850	—
Cannabis liquid	2	41.000	—

Period and type	Seizure numbers	Weight (in grammes)	Numbers
Cannabis resin	113	104,705.080	—
Cocaine	31	23,635.880	—
Diamorphine	28	18,173.790	—
LSD	1	—	1,000
Other	17	214.180	—
<i>June 1990</i>			
Amphetamine	4	500.610	—
Cannabis herbal	113	37,348.640	—
Cannabis resin	90	10,809.129	—
Cocaine	31	45,814.310	—
Diamorphine	25	30,995.307	—
LSD	1	—	2,000
Other	24	19,847.900	—
<i>September 1990</i>			
Amphetamine	7	52.630	—
Cannabis herbal	117	73,209.380	—
Cannabis resin	96	5,989.670	—
Cocaine	43	28,081.270	—
Diamorphine	28	16,315.237	—
Other	28	513.380	—
<i>December 1990</i>			
Amphetamine	5	18.420	—
Cannabis herbal	97	62,694.410	—
Cannabis liquid	1	1,000.000	—
Cannabis resin	100	13,400.642	—
Cocaine	49	66,001.440	—
Diamorphine	37	28,521.501	—
LSD	5	—	8,000
Other	23	1,869.346	—
<i>March 1991</i>			
Amphetamine	2	2.860	—
Cannabis herbal	91	90,643.710	—
Cannabis liquid	3	400.000	—
Cannabis resin	98	28,377.849	—
Cocaine	41	25,902.270	—
Diamorphine	26	33,554.600	—
LSD	7	—	17,931
Other	27	2,612.600	—
<i>June 1991</i>			
Amphetamine	7	7.000	—
Cannabis herbal	102	124,899.773	—
Cannabis resin	110	9,054.729	—
Cocaine	44	46,080.060	—
Diamorphine	18	18,539.900	—
LSD	3	—	500
Other	22	1,377.980	—
<i>September 1991</i>			
Amphetamine	8	183.300	—
Cannabis herbal	96	36,512.832	—
Cannabis liquid	1	2.000	—
Cannabis resin	93	8,897.526	—
Cocaine	52	85,184.410	—
Diamorphine	14	25,041.096	—
LSD	4	—	12
Other	21	4,548.513	—
<i>December 1991</i>			
Amphetamine	8	10.000	—
Cannabis herbal	78	209,314.390	—
Cannabis liquid	2	11.900	—
Cannabis resin	60	7,209.640	—
Cocaine	53	39,960.895	—
Diamorphine	12	9,332.050	—
LSD	2	—	4
Other	18	626.910	—
<i>March 1992</i>			
Amphetamine	3	863.700	—
Cannabis herbal	103	150,090.401	—
Cannabis liquid	1	250.000	—
Cannabis resin	84	5,422.590	—

Period and type	Seizure numbers	Weight (in grammes)	Numbers
Cocaine	55	34,487.361	—
Diamorphine	20	26,574.310	—
LSD	2	—	1,646
Other	12	332.600	—
<i>June 1992</i>			
Amphetamine	1	1.000	—
Cannabis herbal	66	63,873.070	—
Cannabis liquid	3	531.500	—
Cannabis resin	58	17,988.348	—
Cocaine	33	47,032.780	—
Diamorphine	11	7,445.892	—
LSD	1	—	520
Other	22	18,711.380	—
<i>September 1992</i>			
Cannabis herbal	98	211,494.040	—
Cannabis resin	45	7,101.980	—
Cocaine	41	53,366.000	—
Diamorphine	20	17,087.500	—
LSD	3	—	3,006
Other	25	1,914.100	—

¹ For LSD the number of tablets rather than weight is shown.

Footpaths and Bridleways

Mr. Dafis: To ask the Chancellor of the Exchequer how many new (a) footpaths and (b) bridleways in Wales have been created as a direct result of granted exemptions on inheritance tax, since the Inheritance Tax Act 1984, in each year since 1984; and if he will list the location of the footpaths and bridleways in each instance.

Mr. Dorrell: The public have access to approximately 20 miles of footpaths and bridleways over scenic land in Wales which is conditionally exempt from inheritance tax. A breakdown of this figure by year of designation cannot be provided due to the taxpayer confidentiality rules.

Public access was already allowed to some of these paths and bridleways before the exemption was given, but the conditions attached to the exemption will have put the access on a more secure basis.

The Countryside Council for Wales are able to supply information about access to heritage land, including conditionally exempt land, although the land will not be identified as conditionally exempt.

VAT Penalties

Mr. Barry Field: To ask the Chancellor of the Exchequer when he expects to announce the findings of his review into value-added tax penalties on companies.

Sir John Cope: The reviews of misdeclaration penalty and default surcharge are due to report in time for decisions to be taken as part of the 1993 Budget strategy.

Taxpayers (Interviews)

Mr. Beith: To ask the Chancellor of the Exchequer whether Inland Revenue staff are permitted to make tape recordings of interviews with taxpayers without the knowledge or consent of the taxpayer; and if he will include provisions in the taxpayers charter and in departmental guidance manuals so as to preclude such recordings being made.

Mr. Dorrell: Existing guidance for inspectors of taxes tells them that they should not make a tape recording of an interview.

Self-employment (Tax)

Mr. Burns: To ask the Chancellor of the Exchequer what progress has been made on the simplification of tax for the self-employed.

Mr. Dorrell: A further consultative paper entitled "A Simpler System for Assessing Personal Tax" has been published by the Inland Revenue. This takes forward the discussions on simplification of the personal tax system. Copies of the paper have been placed in the Libraries of the House.

Maastricht Treaty

Mr. Llew Smith: To ask the Chancellor of the Exchequer what measures he intends to introduce to implement paragraph 2 of proposed article 130R of the treaty of Rome, included in the Maastricht treaty on European union.

Mr. Maclean [holding answer 2 November 1992]: I have been asked to reply.

It falls to the European Commission to make proposals for measures to implement obligations under the treaty of Rome. The Government fully endorse the considerations set out in the second paragraph of article 130R as it will be amended by the Maastricht treaty. During the United Kingdom's presidency of the Environment Council, we have been laying particular emphasis on the need to integrate environmental protection requirements into other policy areas.

Smuggling

Mr. Jenkin: To ask the Chancellor of the Exchequer what measures are being taken to counter the extra opportunities for smugglers as a result of EC measures which will make movement through EC countries easier.

Sir John Cope [holding answer 3 November 1992]: It is a central objective of all changes to customs controls for the single market, that effectiveness against smuggling should be maintained. Following a thorough review of their anti-smuggling controls, customs have been creating new flexible anti-smuggling teams and important results have come from the risk-based targeting methods which they employ.

Customs are working with other enforcement agencies, trade associations and individual transport companies to sign memoranda of understanding under which they assist customs to detect drug smugglers who are using their facilities. Customs are also developing closer co-operation with our Community partners. They have signed maritime and aerial surveillance memoranda of understanding with France and Spain and are in the process of concluding one with the Netherlands. The fight against smugglers will be further assisted in the single market by the customs information system. This network, which I launched in October allows information to be exchanged electronically between all 12 member states.

VAT

Mr. Bernard Jenkin: To ask the Chancellor of the Exchequer what limit the recent agreements in the EC on the harmonisation of rates of VAT place on the amount by which the VAT starting threshold can be raised.

Sir John Cope [*holding answer 4 November 1992*]: The recent agreements in the EC will not affect the level of the VAT registration threshold which is governed by the EC Sixth VAT Directive and current United Kingdom legislation.

Mr. Bernard Jenkin: To ask the Chancellor of the Exchequer if he will consider raising the VAT threshold to £50,000 and beyond.

Sir John Cope [*holding answer 4 November 1992*]: The EC Sixth VAT Directive which the then United Kingdom Government agreed in 1977 constrains increases in the VAT registration threshold to what is needed to maintain its value in real terms.

Mr. Bernard Jenkin: To ask the Chancellor of the Exchequer what consideration he is currently giving to problems relating to the current VAT penalty regime.

Sir John Cope [*holding answer 4 November 1992*]: The second phase of the review of the serious misdeclaration penalty regime was announced by my right hon. Friend the Chancellor in his Budget statement in March 1992. Wide ranging consultations have since taken place with the relevant trade and professional bodies. In addition, Customs have issued a consultative paper on default surcharge inviting comment on how the system might be made both more effective and acceptable.

ENVIRONMENT

Ozone-destroying Substances

Mr. Chris Smith: To ask the Secretary of State for the Environment what criteria are used by Her Majesty's inspectorate of pollution when assessing the best available technology not entailing excessive cost for the prevention of the release of ozone-destroying substances.

Mr. Maclean: HMIP is responsible for authorising releases from those processes prescribed under part I of the Environmental Protection Act 1990.

The Act requires an operator of a prescribed process to either prevent releases of prescribed substances or where not practicable, to minimise releases and to render them harmless. In implementing this requirement, a balance must be made between the costs of these techniques against the potential environmental harm, such as possible damage to the ozone layer, resulting from proposed releases. This is the basis of the requirement to use the best available techniques not entailing excessive cost—BATNEEC.

In granting authorisation HM inspectorate of pollution will have regard to the advice provided in the relevant chief inspector's guidance note including the need to use BATNEEC.

One of the most significant industry sectors as far as potential releases of compounds posing a threat to stratospheric ozone levels, most notably some volatile organic compounds, is that covering the production and storage of chemicals.

The first nine guidance notes covering this sector will be published shortly. They will provide detailed guidance on the release of VOCs and in particular will place extremely tight release limits on those substances, covered by the Montreal Protocol which have been identified as posing a threat to ozone levels. Guidance is also given on preventing fugitive releases from all parts of such processes.

On publication, copies of all chief inspector's guidance notes are placed in the House Library.

Mr. Chris Smith: To ask the Secretary of State for the Environment which companies have made applications to release ozone-destroying substances under part I of the Environmental Protection Act 1990; and how many have been turned down.

Mr. Maclean: The information can be provided only at disproportionate cost.

Mr. Dafis: To ask the Secretary of State for the Environment what progress has been made by his Department in utilising the powers under the Environmental Protection Act 1990 to outlaw the release of ozone-destroying chemicals.

Mr. Maclean: The Environmental Protection (Prescribed Processes and Substances) Regulations 1991 set out the industrial processes and the main substances to be controlled under part I of the Environmental Protection Act 1990.

The regulations are enforced by Her Majesty's inspectorate of pollution and local authorities who are required to ensure industry uses best available techniques not entailing excessive cost to prevent, or minimise and render harmless the release of prescribed substances. The substances prescribed for release into the air include oxides of nitrogen, organic compounds and halogens and their compounds, which are ozone-depleters.

To date HMIP has received just over 500 applications and local authorities some 6,300 in England and Wales. Details of all these applications and authorisations issued as a result are not held centrally.

Waste Incineration

Mr. Dafis: To ask the Secretary of State for the Environment how many shipments of clinical waste have been imported for incineration within the United Kingdom in each of the past five years; and if he will specify the tonnage imported in each instance.

Mr. Maclean: My Department has no record of clinical waste being imported before 1 January 1992. Since then, 463 tonnes in 71 separate shipments have been notified to the Department under the Transfrontier Shipment of Hazardous Wastes Regulations 1988 as having been imported for incineration in the United Kingdom.

Mr. Dafis: To ask the Secretary of State for the Environment if he will make it his policy to prohibit the incineration of wastes containing heavy metals, organochlorines and other organic halogens.

Mr. Maclean: Waste incineration processes are tightly controlled under part I of the Environmental Protection Act 1990. Since 30 September 1992, operators of all existing waste incinerators have had to apply under the Act to either Her Majesty's inspectorate of pollution or

their local authority, depending on the size of the plant or the sort of waste being incinerated, to obtain authorisation to undertake the process. Any authorisations given will include conditions covering such matters as combustion conditions and release limits to ensure the protection of public health and the environment. These conditions must be designed so as to ensure the use of the best available techniques not entailing excessive cost—BATNEEC—to prevent or minimise releases of prescribed substances from the plant, and to render all unpreventable releases harmless. I, therefore, see no grounds for a general prohibition on the incineration of wastes containing heavy metals, organochlorines and other organic halogens.

Mr. Dafis: To ask the Secretary of State for the Environment what plans he has to undertake a full assessment of problematic waste streams going into incineration.

Mr. Maclean: There is already a considerable amount of research into the incineration of various types of waste. The objective is to determine the conditions required to minimise the release of pollutants, and to render harmless any unpreventable releases.

Chlorine (Stratosphere)

Mr. Chris Smith: To ask the Secretary of State for the Environment (1) what level of chlorine loading in the stratosphere is regarded as the maximum that the United Kingdom will accept as a condition for signing a revised Montreal protocol in Copenhagen;

(2) what are the maximum periods of stratospheric chlorine loading (a) above 2ppbv and (b) above 3ppbv that the United Kingdom is prepared to accept as a condition for signing the revised Montreal protocol in Copenhagen.

Mr. Maclean: We will be pressing for the Montreal protocol's controls to be tightened to require the earliest possible phase out of ozone-depleting substances, in order to achieve the lowest possible level of chlorine loading in the stratosphere.

Waste Streams

Mr. Dafis: To ask the Secretary of State for the Environment if he will make it his policy to set goals and time scales for the reduction of priority waste streams.

Mr. Maclean: The United Kingdom is participating in several European Community "priority waste streams" groups comprising representatives from business, national and local government, consumer and environmental organisation. The groups aim to agree common targets and objectives within the Community for the treatment and handling of a number of difficult waste streams, including used tyres, chlorinated solvents, scrap vehicles, clinical waste and demolition material. The United Kingdom is leading on clinical waste, and has also initiated a research project on the recycling of demolition wastes.

Members' Correspondence

Ms. Janet Anderson: To ask the Secretary of State for the Environment what guidelines are issued to his Department for the processing of correspondence from hon. Members; and what is the average delay between receipt of correspondence from, and the date of response to, an hon. Member.

Mr. Howard: Guidelines to officials in my Department stress that all ministerial correspondence should be dealt with as soon as possible, and every attempt is made to achieve my Department's objective of replying to hon. Members' letters within three weeks of receipts.

It is not possible to identify from my Department's records, an arithmetical average length of time taken to reply to hon. Members' letters. However my Department's objective of a reply within three weeks of receipts, was achieved for 60 per cent. of letters from hon. Members received in the first six months of this year. 77 per cent. were replied to within four weeks, and 90 per cent. within six weeks.

March Consultancy Group

Mr. Chris Smith: To ask the Secretary of State for the Environment what policy changes he will implement as a result of research undertaken for the Department by March Consultancy Group.

Mr. Maclean: My Department has commissioned four studies from the March Consulting Group. Three of these are for Her Majesty's inspectorate of pollution and concern pollution control for petrochemical and petroleum processes, and for processes involving sulphonation. The group is required to identify both the various processes being undertaken and the best available techniques being used worldwide to control polluting releases. The results of these studies will be used by the inspectorate in the chief inspector's guidance notes covering those processes. The fourth is on the use of CFCs in the United Kingdom refrigeration and air conditioning industries. The Government are committed to the earliest possible phase out of CFCs, and are now considering what further action might be taken in the light of March Consulting Group's report, a copy of which is in the Library of the House.

Hydrochlorofluorocarbons

Mr. Chris Smith: To ask the Secretary of State for the Environment what essential uses of hydrochlorofluorocarbons his Department has identified in the refrigeration and air conditioning sector.

Mr. Maclean: HCFCs are needed in the short to medium term in this sector to ensure the swiftest possible move away from the use of CFCs.

Clinical Waste

Mr. Dafis: To ask the Secretary of State for the Environment what guidelines are currently provided by his Department to companies involved in the incineration of clinical waste concerning the safe deposit of toxic ash following the burning of such waste.

Mr. Maclean: My Department is satisfied that ash from incinerators burning clinical waste can be safely deposited at landfill sites licensed and designed to accept such waste without risk to public health or the environment. Waste disposal authorities formulate licence conditions and monitor sites to ensure that no hazard arises.

My Department has published definitive guidance on the landfilling of waste in waste management paper No. 26 and on disposal licensing in waste management paper No. 4. Copies of both these documents have been placed in the

Library of the House. Guidance will shortly be issued on the management of clinical waste in the revised version of waste management paper No. 25.

Rural Development Commission

Mrs. Dunwoody: To ask the Secretary of State for the Environment how much grant in aid the Rural Development Commission received in (a) 1979 and (b) 1992.

Mr. Maclean: In 1979-80 the development commission was issued a grant of £16.126 million to meet expenditure of £18.257 million. For 1992-93 grant in aid of £11.969 million was approved by Parliament, prior to the 1992 summer recess, for the Rural Development Commission enabling it to spend up to £38.939 million. In both years, the balance between grant in aid and gross expenditure is accounted for by receipts.

Biodiversity Agreements

Mr. Dafis: To ask the Secretary of State for the Environment if he will make it his policy to encourage the involvement of non-governmental organisations in the drafting and negotiation of future treaties and agreements related to biodiversity.

Mr. Maclean: Non-governmental organisations were involved throughout the preparations leading up to the agreement of the convention on biological diversity, in particular through the Advisory Group on Biological Diversity.

We will continue to involve non governmental organisations in taking forward this convention and in other biodiversity-related work.

Hazardous Waste (Imports)

Mrs. Dunwoody: To ask the Secretary of State for the Environment what was the level of imports of hazardous waste in (a) 1981 and (b) 1988.

Mr. Maclean: There was no requirement for information on hazardous waste imports to be supplied to the Secretary of State until the Transfrontier Shipment of Hazardous Waste Regulations 1988 came into force on 1 October 1988. During the 1988-89 financial year, approximately 52,000 tonnes of hazardous waste were imported. This figure comprises estimates from 1 April to 30 September 1988, and collected data thereafter.

Water Pollution

Mrs. Dunwoody: To ask the Secretary of State for the Environment how many incidents of water pollution on Britain's bathing beaches were reported in (a) 1980 and (b) 1992.

Mr. Maclean: No data are held centrally for 1980. The results for the 1992 bathing water survey are not yet available. In 1991, 76 per cent. of the United Kingdom's 453 identified bathing waters met the mandatory coliform bacteria standards of the EC bathing water directive.

Mrs. Dunwoody: To ask the Secretary of State for the Environment how many people in Britain are supplied with water that does not reach the EC regulated standard.

Mr. Maclean: Information on drinking water quality in England and Wales is contained in "Drinking Water

1991", the second annual report by the chief drinking water inspector, published in July 1992. Copies have been placed in the Library. It is planned to publish shortly a similar report on drinking water quality in Scotland.

Mr. Chris Smith To ask the Secretary of State for the Environment (1) what action has been taken by his Department and other relevant authorities to clarify to users of ozone destroying substances the circumstances in which these chemicals are to be considered controlled wastes for the purposes of the Environmental Protection Act 1990;

(2) what guidance has been issued, and when further guidance will be available to users of ozone destroying substances that are considered controlled wastes, concerning their obligations under section 33 of the Environmental Protection Act 1990;

(3) which authorities are responsible for enforcing section 33 of the Environmental Protection Act 1990 as it applies to ozone destroying substances that are considered controlled wastes; and what action they have so far taken to enforce section 33 so far as it applies to ozone destroying substances.

Mr. Maclean: Section 33(1)(c) of the Environmental Protection Act 1990, which came into force on 1 April this year, makes it an offence to treat, keep or dispose of controlled waste in a manner likely to cause pollution of the environment or harm to human health. Controlled waste is defined in section 75 of the Act. The Controlled Waste Regulations, which refine and extend the definitions of controlled waste, were also brought into force on 1 April. Guidance on those regulations was issued to local authorities, including waste regulation authorities, in a joint circular from the Scottish Office, the Welsh Office and my Department—DOE circular 14/92—published on 21 May 1992.

Section 34 of the Environmental Protection Act 1990 imposes a duty of care on those holding controlled waste to take reasonable steps to prevent a breach of section 33. Guidance for waste holders on how to discharge this duty, including advice on how to decide whether a substance is controlled waste, was issued in a code of practice published jointly by the three Departments in December 1991. The definition of controlled waste and the provisions of sections 33 and 34 of the Act are not specific to particular substances or sectors of industry, nor is the advice on those sections.

It is intended that section 33 together with the waste management licensing system in the Act will be brought fully into force on 1 April 1993, and further advice on the operation of waste management licensing will be issued before then.

Waste regulation authorities, as the authorities who will have the duty of granting waste management licences, will be mainly responsible for the enforcement of section 33 of the Act, but there is no restriction on the right to instigate prosecutions for offences under section 33.

Pest Bird Control

Mr. Riddick: To ask the Secretary of State for the Environment (1) whether the proposed general licences to kill or take certain birds will fully discharge United Kingdom obligations so far as they relate to his Department's responsibilities under the 1979 EC birds directive;

(2) if he has consulted the Joint Nature Conservation Committee on the proposed general licensing system to control the shooting of bird pest species under section 16(1) (c), (d) and (i) of the Wildlife and Countryside Act 1981; and whether the committee has approved the form and scope of the proposed licences;

Bird Pests

(3) whether the constituent bodies of the Joint Nature Conservation Committee had submitted their opinions on the proposed general licensing system to control the shooting of bird pest species by the final date of submission; and what steps have been taken to obtain them;

(4) if he has consulted the Joint Nature Conservation Committee on the proposed general licensing system to control the shooting of bird pest species under section 16 (i), (j) and (k) of the Wildlife and Countryside Act 1981; and whether the committee has approved the form and scope of the proposed licences.

Mr. Maclean: We are satisfied that the proposed general licensing system for pest bird control will meet the requirement of the EC birds directive and provide a sensible basis for pest control in the United Kingdom.

Officials of the Joint Nature Conservation Committee have been fully involved with those from my Department in the development of the licensing system and have provided the scientific advice on which the licences will be based. In discharging the special function of the country councils to jointly advise on nature conservation matters affecting Great Britain as a whole, committee officials have liaised with their counterparts in the country councils. The councils received the public consultation paper, issued in July, setting out the Government's proposals. The Countryside Council for Wales and Scottish Natural Heritage have responded directly to the Department.

Radioactive Waste

Mr. Llew Smith: To ask the Secretary of State for the Environment, pursuant to his answer of 22 October, *Official Report*, column 347, if he will set out a summary of the advice on radiological equivalence of radioactive wastes from the Radioactive Waste Management Advisory Committee; and when he expects to reply to the Radioactive Waste Management Advisory Committee report.

Mr. Maclean: The Radioactive Waste Management Advisory Committee's report offers advice on the technical basis of British Nuclear Fuels' proposals and their likely radiological and environmental impact for the United Kingdom. I expect to reply to the report after consulting colleagues.

Neighbour Noise

Mr. Dafis: To ask the Secretary of State for the Environment if he will issue new guidelines on neighbour noise to local authorities.

Mr. Maclean: Part III of the Environmental Protection Act 1990 contains provisions for controlling statutory nuisances, including noise. In September, my Department and the Home Office issued joint guidance to local authorities and the police on the control of noise from parties.

Wildlife Habitats

Dr. Wright: To ask the Secretary of State for the Environment what new measures he is proposing to provide greater protection to sites of special scientific interest in order to prevent destruction of wildlife habitats.

Mr. Maclean: The additional safeguards for sites of special scientific interest announced by this Government in September 1991 came into effect on 2 January 1992. Guidance to local authorities and others on how our policies for the conservation of our natural heritage are to be reflected in land use planning, and development control, are to be set out in a planning policy guidance note, which will be published shortly.

Home Energy Efficiency Scheme

Mr. Pickthall: To ask the Secretary of State for the Environment, how many households in the network installer area including the Lancashire, West constituency qualify and have been improved under the home energy efficiency scheme since its inception in 1991.

Mr. Maclean: In order to be eligible for grant under the home energy efficiency scheme, an applicant or his or her spouse must be in receipt of one of five passportable benefits: housing benefit, income support, family credit, community charge benefit or disability working allowance. In addition, his or her property must meet certain criteria concerning existing levels of insulation and receipt of a grant for similar work under previous schemes. Data on numbers of households eligible in any particular area at a particular time are not available.

Within the network installer area that contains the hon. Member's constituency, 2,494 homes have benefited from home energy efficiency scheme grant since its inception in 1991.

Mr. Connarty: To ask the Secretary of State for the Environment how many households in the network installer area covering the Falkirk, East constituency have been improved under the home energy efficiency scheme since its inception in 1991.

Mr. Maclean: Within the network installer area that contains the hon. Member's constituency, 2,119 homes have benefited from HEES grant since 1 January 1991.

City Challenge

Mr. Byers: To ask the Secretary of State for the Environment what analysis was made of the benefits to local communities of the first round of city challenge pacemaker authorities before deciding to embark on a second round.

Mr. Robin Squire: The decision to go ahead with the second round of city challenge was announced in February 1992. The pacemaker authorities began implementing their action plans in April 1992. However, analysis of pacemaker bids helped to inform the decision to embark on a second round and on the bidding guidance for that round. The guidance stated that one of the main aims of city challenge was to support the development and implementation of locally devised and time limited plans for the regeneration of disadvantaged areas within our cities which will significantly benefit the residents of those areas.

Urban Development Corporations

Mr. Byers: To ask the Secretary of State for the Environment which urban development corporations have entered into agreements with developers which require them to employ local labour.

Mr. Robin Squire: None. Although the use of local labour is encouraged, a contractual requirement specifying that local labour must be used would be in contravention of United Kingdom legislation, the treaty of Rome, and European Community works and supplies directives.

Mr. Byers: To ask the Secretary of State for the Environment if he will list the occasions on which boards of urban development corporations have met in public.

Mr. Robin Squire: The boards of the urban development corporations do not meet in public.

Mr. Byers: To ask the Secretary of State for the Environment if he will list for each urban development corporation the total amount of government finance they have received since their inception.

Mr. Robin Squire: The total amount of government grant in aid the urban development corporations have received, up to 31 March 1992, is as follows.

	£ million
Birmingham Heartlands	Nil
Bristol	35.233
Black Country	141.643
Central Manchester	43.500
Leeds	39.038
London Docklands	1,347.500
Merseyside	291.386
Sheffield	49.725
Teesside	160.071
Trafford Park	91.581
Tyne and Wear	142.066

Mr. Byers: To ask the Secretary of State for the Environment what plans he has to require the boards of urban development corporations to meet in public.

Mr. Robin Squire: We have no plans to require the boards of the urban development corporations to meet in public. UDCs have the discretion to admit the public to discussions on land use planning matters and most choose to do so.

London Forum

Mr. Simon Coombs: To ask the Secretary of State for the Environment if he will make a statement on his plans for the London forum.

Sir George Young: My hon. and learned Friend announced on 21 October that Sir Allen Sheppard had agreed to be the first chairman of the London forum, and that Sir Hugh Bidwell has agreed to be a deputy chairman. The Secretary of State and my right hon. Friend the Secretary of State for National Heritage have agreed in principle with Sir Hugh that the forum should merge with the London tourist board, of which Sir Hugh is the chairman. The merger will create a single powerful private sector body to promote London overseas, with the aim of maximising business investment in the capital and expanding London's role as a centre for tourism and culture.

The London Forum will share an executive organisation with London First, a new private sector initiative of which Sir Allen is also the chairman. London First is a private and public sector partnership harnessing business skills to enhance London's attractions. It will improve the "product" which it will be the forum's job to promote internationally. A common supporting organisation under chief executive Stephen O'Brien will ensure close coordination of the efforts of the two bodies.

Sir Allen is now taking forward the development of a business plan for the forum, with a view to launching the new body around the turn of the year.

Environmental Information

Mr. Dafis: To ask the Secretary of State for the Environment if he will establish an independent body to oversee the implementation of procedures under the EC directive on the freedom of access to information on the environment.

Mr. Maclean: No.

Council Tax

Ms. Janet Anderson: To ask the Secretary of State for the Environment whether he will take steps to ensure that disabled persons living in band A properties will be entitled to a reduction in their council tax liability; and if he will make a statement.

Mr. Robin Squire: The scheme of council tax reductions for people with disabilities will ensure that no one pays more council tax in respect of additional accommodation which they need because of a disability. If a dwelling is allocated to band A, any additional accommodation cannot have resulted in an increase in council tax liability, and no reduction is therefore appropriate.

Local Government Finance

Mr. Nigel Jones: To ask the Secretary of State for the Environment how much his Department spent in total on transitional relief and the community charge reduction scheme; and what was the original estimate of the amount required.

Mr. Robin Squire: My Department has so far paid out £1,950 million in transitional relief and community charge reduction scheme grant. Further grant payments totalling about £500 million will be paid this and next year. Early estimates put the cost of the schemes at about £2,830 million.

Mr. Nigel Jones: To ask the Secretary of State for the Environment if he will publish a table showing for each collecting local authority in England the latest figures available of uncollected community charge and the percentage of the total community charge that this figure represents.

Mr. Robin Squire: My Department does not collect figures for the amounts of domestic rates and of community charges outstanding. Figures for community charge arrears outstanding at 31 March 1991 were published by the Chartered Institute of Public Finance and Accountancy in "Revenue Collection Statistics 1990-91 Actuals", a copy of which is available in the Library of the House. Figures for uncollected domestic rates are not

available, although the chartered institute has published gross arrears of domestic and non-domestic rates at 31 March 1990 in "Rate Collection Statistics 1989-90 Actuals", a copy of which is also available in the Library of the House.

Mr. Nigel Jones: To ask the Secretary of State for the Environment if he will publish a table showing for each collecting local authority in England how much was bid by that authority for Government funds to cover the set-up costs of the council tax and how much his Department gave to each authority in 1992-93.

Mr. Robin Squire: Authorities were not asked to bid for funds to cover the costs of implementing the council tax. Independent consultants, CSL Ltd., were employed to advise on these costs. They estimated that the revenue costs of implementing the council tax would be £114.6 million. The Government agreed to pay 75 per cent. of these costs by way of a special grant of which £56.74 million will be paid to authorities this year, and a further £29.23 million will be paid in 1993-94 on receipt of audited claims. The allocation to billing authorities of this grant is given in Special Grant Report (No. 4) approved by the House in June this year, a copy of which is in the House of Commons Library. The other 25 per cent. of costs will be met through revenue support grant.

In addition, supplementary credit approvals to the value of £41.2 million are available to authorities in respect of capital expenditure they incur on implementing the council tax.

Mr. Nigel Jones: To ask the Secretary of State for the Environment what items of local authority expenditure were included in the Government's calculations of council tax set-up costs.

Mr. Robin Squire: This Department employed independent consultants CSL Ltd to advise on the total cost of preparing for the introduction of the council tax by April 1993. The costs, both revenue and capital, taken into account by the consultants covered staffing, accommodation, computer hardware, computer software, stationery, publicity and training.

Capital Receipts

Mr. Nigel Jones: To ask the Secretary of State for the Environment if he will publish a table showing for each housing authority in England the amount of unapplied capital receipts from (a) housing sales and (b) other capital sales.

Mr. Robin Squire: I have arranged for the available information to be placed in the Library of the House.

Separate figures for housing receipts and other capital receipts are not available.

Mr. Nigel Jones: To ask the Secretary of State for the Environment if he will publish a table showing for each county council in England the total amount of unapplied capital receipts.

Mr. Robin Squire: The total usable receipts for each county council in England as at 31 March 1992 are shown in the table.

	£000s
Avon	2,150
Bedfordshire	1,250
Berkshire	1,500

	£000s
Buckinghamshire	600
Cambridgeshire	1,000
Cheshire	1,500
Cleveland	55
Cornwall	1,400
Cumbria	1,250
Derbyshire	2,175
Devon	3,000
Dorset	1,000
Durham	1,132
East Sussex	1,178
Essex	726
Gloucestershire	2,075
Hampshire	5,000
Hereford and Worcester	1,549
Hertfordshire	6,000
Humberside	1,000
Isle of Wight	250
Kent	3,800
Lancashire	2,000
Leicestershire	2,100
Lincolnshire	4,005
Norfolk	1,225
North Yorkshire	1,350
Northamptonshire	3,000
Northumberland	600
Nottinghamshire	1,500
Oxfordshire	4,000
Shropshire	1,000
Somerset	4,800
Staffordshire	1,500
Suffolk	1,000
Surrey	4,000
Warwickshire	2,100
West Sussex	8,100
Wiltshire	1,191

Montreal Protocol

Mr. Simon Hughes: To ask the Secretary of State for the Environment what proposals Her Majesty's Government will make at the forthcoming preparatory meeting for the Montreal protocol.

Mr. Maclean: The Government, together with our EC partners, will be proposing that the phase-out dates for production and consumption of CFCs, halons, carbon tetrachloride and 1,1,1 trichloroethane be brought forward to 1 January 1996 with an interim cut of 50 per cent. for 1,1,1 trichloroethane and 85 per cent. for the other substances by 1 January 1994. In addition, we shall be pressing for tight controls on HCFCs to be introduced and a freeze on the production and consumption of methyl bromide at 1991 levels by 1995.

House Condition Survey

Mr. Straw: To ask the Secretary of State for the Environment, pursuant to his answer of 15 July to the hon. Member for Crosby (Sir M. Thornton), *Official Report*, column 833, if he will make a statement on the reasons for the time taken to prepare the report on the 1991 English house condition survey.

Sir George Young: The 1991 English house condition survey began in September last year and has involved three separate surveys—a physical inspection of 25,000 dwellings, interviews with households and a postal survey of local authorities and housing associations. Data

collection for the last of these surveys will be completed this month. Results will be published just as soon as the analysis is completed.

Crown Immunity

Mr. Jenkin: To ask the Secretary of State for the Environment when he expects to issue a public consultation paper on the removal Crown exemption from planning legislation.

Sir George Young: My right hon. and learned Friend has today issued a public consultation paper on the removal of Crown immunity from planning law. My right hon. Friends the Secretary of State for Scotland and the Secretary of State for Wales also propose shortly to issue public consultation papers as regards Scotland and Wales.

The consultation paper proposes that all Crown bodies should be required to apply to the local planning authority for planning permission, listed building consent, conservation area consent, and hazardous substances consent, and to the Secretary of State for National Heritage for scheduled monument consent in the normal way.

There will be some exceptions to these requirements, principally where national or prison security is involved, and for trunk road proposals, which are already subject to statutory procedures equivalent to town and country planning procedures. In the case of national security, it is intended to make provision in the legislation for a certification system whereby the appropriate Minister or official would certify projects which would be exempt from the legislation on grounds of national security. A similar procedure will apply to prison security.

The Government consider that it would be inappropriate for the enforcement provisions of the planning legislation, particularly those which contain criminal sanctions or permit the local authority to enter land, to apply to the Crown. It is proposed that in lieu of the enforcement provisions and injunctive or criminal proceedings the "enforcing" authority would be able to apply to the High Court for a declaration of the rights of the parties. If the Crown is shown by a declaration to have acted in breach of planning control, it would, of its own accord, remedy the position.

One consequence of the proposals will be that Crown developers will be legally required to undertake environmental impact assessments of their proposals, as required by EC Directive 85/337, in the same way as other developers, replacing the non-statutory arrangements in DOE circular 15/88, Welsh Office 23/88.

The statutory regimes in part VIII of the Town and Country Planning Act 1990 for outdoor advertisement control and tree protection will also apply to Crown land, subject to certain modifications and exceptions.

These proposals will be embodied in primary legislation when a suitable opportunity arises.

Supplementary Credit Approvals

Mr. Straw: To ask the Secretary of State for the Environment when he expects to announce the supplementary credit approvals for (a) improvement grants and (b) other purposes.

Mr. Howard: Provisional awards of supplementary credit approvals—SCAs—for mandatory house renovation grants will be notified to local authorities shortly. On the SCAs issued by my Department for other purposes, we

have already announced to local authorities our intentions for 1992-93. The SCAs themselves will be issued by 30 September 1993.

Rating Revaluations

Mr. McFall: To ask the Secretary of State for the Environment what additional resources will be made available to the Valuation Office in connection with outstanding rating appeals from the 1990 revaluation of non-domestic property.

Mr. Robin Squire: The Department's existing expenditure plans in respect of Valuation Office agency rating services are set out in figure 119 of the Department's annual report for 1992. This shows the following provision over three years:

Year	£ million
1992-93	115.3
1993-94	115.4
1994-95	118.2

This provision covers work on outstanding and new rating appeals against the 1990 rating list, and work in connection with the 1995 general revaluation.

Darwin Initiative

Mr. Dalyell: To ask the Secretary of State for the Environment what progress has been made in relation to the Darwin initiative.

Mr. Maclean [*holding answer 26 October 1992*]: Consultations with interested institutions and organisations are continuing. I expect to make a statement later this year.

Household Waste

Mr. Paice: To ask the Secretary of State for the Environment when he expects the first results will be available from the national household waste analysis project, currently being undertaken by Warren Spring Laboratory and Aspinwalls on behalf of his Department.

Mr. Maclean [*holding answer 2 November 1992*]: The first phase of the project—developing the methodology—has been completed and a report should be available by the end of 1992. Preliminary results from the first samples will be available from Warren Spring Laboratory from the beginning of 1993. A full report of the 1992-93 results will be available in the late summer of 1993.

Recovery and Recycling

Mr. Paice: To ask the Secretary of State for the Environment whether any consideration has been given to making a cradle-to-grave analysis of potential benefits to be gained from combining recovery and recycling facilities with incineration and energy recovery facilities.

Mr. Maclean [*holding answer 2 November 1992*]: My Department and the Department of Trade and Industry have been studying the concept of combining recovery and recycling facilities with incineration and energy recovery facilities. The DTI's energy technology support unit started a five year research programme on the concept in 1991. Preliminary results will be published in due course.

Water Supplies

Mrs. Helen Jackson: To ask the Secretary of State for the Environment what assessment the Office of Water Services has made of the health and safety danger posed by pre-payment water meters in domestic properties in the event of an accident in the home or of heating systems running dry.

Mr. Maclean [*holding answer 4 November 1992*]: I understand that OFWAT will be closely monitoring inter alia the health and safety aspects of a trial of pre-payment meters by Severn Trent Water Limited. OFWAT has asked the company to produce a leaflet for the customers concerned, giving advice about the precautionary action customers should take if they interrupt their supply by not inserting a pre-paid card to buy further units. However, I understand that all electronic pre-payment water meters enable water to be taken on credit in the event of an emergency.

Contaminated Land Register

Mr. Gareth Wardell: To ask the Secretary of State for the Environment if he will improve the clarity of the definition of the areas of land that are to be included in the proposed regulations relating to the contaminated land register.

Mr. Maclean [*holding answer 4 November 1992*]: It would be our intention to accompany any regulations made under section 143 of the Environment Protection Act 1990 with guidance about their implementation, including criteria for defining areas of registrable land.

Mr. Gareth Wardell: To ask the Secretary of State for the Environment if he will reconsider his proposals to include land that has been used for mineral extraction from the contaminated land register.

Mr. Maclean [*holding answer 4 November 1992*]: Our recent consultative draft of regulations proposed under section 143 of the Environment Protection Act 1990 did not include mineral extraction as a registrable use of land; the proposed regulations would apply only to the most contaminative uses of land.

Methane Emissions

Mr. Jon Owen Jones: To ask the Secretary of State for the Environment what the contributions to the United Kingdom total methane emissions from landfills in Scotland and Northern Ireland will be.

Mr. Maclean: Direct estimates of total methane production from landfills in Scotland and Northern Ireland have not been made. An estimate based on population and waste arising statistics suggests that the figure is likely to be between 10 and 15 per cent. of the total for England and Wales, or between 100,000 and 150,000 tonnes per annum.

Geopathic Stress

Mr. Redmond: To ask the Secretary of State for the Environment what research his Department is currently carrying out into geopathic stress; and if he will make a statement.

Mr. Maclean: The Department is supporting studies at Lancaster university to determine the sensitivity in the

United Kingdom of vegetation and of plant pathogenic micro-organisms to increased fluxes of ultraviolet-B radiation which may result from depletion of the stratospheric ozone layer. These studies will feed into the periodic reassessment of available scientific, environmental, technical and economic information required under article 6 of the Montreal protocol on substances that deplete the ozone layer.

HOUSE OF COMMONS

Parliamentary Procedure

Mr. Simon Coombs: To ask the Lord President of the Council when he expects to bring proposals for reform of parliamentary procedure before the House.

Mr. Newton: I informed the House during the debate on the report of the Select Committee on Sittings of the House on 13 July that I hoped to identify a basis of agreement for discussion through the usual channels, with the aim of being in a position to bring forward substantive motions at an early stage once the House returned.

That remains my intention.

WALES

Arable Support Scheme

Mr. Jonathan Evans: To ask the Secretary of State for Wales what representations he has received concerning the arable support scheme for Wales.

Mr. David Hunt: I have received a number of representations concerning the arable support scheme. The rates (converted using the green rate applicable on 22 September 1992) payable in Wales for the main scheme in 1993-94 are:

	Notional compensation ECU per tonne	Payment per hectare	
		ECU	£
Cereals ¹ (including sweetcorn)	25	116.25	95.20
Oilseeds	152	477.65	391.15
Proteins (including vining peas)	65	302.25	247.51
Set-aside	45	209.25	171.35

¹ Producers in the simplified scheme (less than 19.78 ha in production) will receive the cereals rate for all crops grown.

I have made it clear in my discussions with the farming unions in Wales that this is for one year only and I have asked my Department, in consultation with industry representatives, to examine the available data in order to decide whether for future years a different regionalisation plan might be more appropriate.

Local Government Finance

Mr. Llwyd: To ask the Secretary of State for Wales if he will make it his policy to exclude local authorities' grants to charities and voluntary organisations from charge-capping calculation arrangements.

Mr. Gwilym Jones: Local authorities in Wales should keep their budget requirements for 1993-94, including provision for grants to charities and voluntary organisations, in line with my right hon. Friend's expenditure

plans. My right hon. Friend will announce his proposals for the 1993-94 local government revenue settlement in due course.

Mr. Barry Jones: To ask the Secretary of State for Wales when he proposes to tell local authorities in Wales their allocations of money for collecting the council tax for the next financial year.

Mr. Gwilym Jones: The cost of council tax administration is one of the categories of expenditure taken into account in determining local authorities' standard spending assessments. My right hon. Friend's proposals for the 1993-94 local government revenue settlement will be announced in due course.

Mr. Nigel Jones: To ask the Secretary of State for Wales if he will publish a table showing for each collecting local authority in Wales the latest figures available of uncollected community charge and the percentage of the total community charge that this figure represents.

Mr. Gwilym Jones: The information requested is shown in the table:

Arrears of community charges at 31 March 1992

	Amount ¹ (£000)	As a percentage of the total debt ²
Alyn and Deeside	1,866	10
Colwyn	1,148	8
Delyn	983	6
Glyndwr	890	8
Rhuddlan	1,069	7
Wrexham Maelor	2,711	10
Carmarthen	467	5
Ceredigion	801	7
Dinefwr	393	6
Llanelli	978	7
Preseli Pembrokeshire	439	4
South Pembrokeshire	521	7
Blaenau Gwent	1,395	11
Islwyn	1,046	9
Monmouth	1,229	7
Newport	3,734	12
Torfaen	1,115	6
Aberconwy	596	5
Arfon	1,117	11
Dwyfor	230	3
Meirionnydd	353	4
Ynys Môn	1,113	7
Cynon Valley	1,072	11
Merthyr Tydfil	547	6
Ogwr	1,130	5
Rhondda	498	5
Rhymney Valley	1,822	10
Taff Ely	1,676	9
Brecknock	279	3
Montgomeryshire	325	4
Radnorshire	113	2
Cardiff	6,560	10
Vale of Glamorgan	1,131	5
Port Talbot	704	7
Lliw Valley	449	4
Neath	804	6
Swansea	3,057	7
Total Wales	44,361	8

¹ The arrears shown include both 1990-91 and 1991-92 charges.

² The total debit is the amount actually billed to chargepayers, net of deductions, in respect of 1990-91 and 1991-92 charges.

Mr. Nigel Jones: To ask the Secretary of State for Wales if he will publish a table showing for each Welsh district council the amount of unapplied capital receipts from (a) housing sales and (b) other capital sales.

Mr. Gwilym Jones: The information requested is given in the table:

Usable capital receipts at 31 March 1992

	Housing £000	Other £000
Alyn and Deeside	24	0
Colwyn	585	42
Delyn	0	0
Glyndwr	863	160
Rhuddlan	469	16
Wrexham Maelor	41	21
Carmarthen	609	0
Ceredigion	0	137
Dinefwr	0	746
Llanelli	0	0
Preseli Pembrokeshire	1,122	243
South Pembrokeshire	1,264	327
Blaenau Gwent	488	641
Islwyn	0	0
Monmouth	826	46
Newport	6,309	1,433
Torfaen	0	0
Aberconwy	678	431
Arfon	230	116
Dwyfor	71	0
Meirionnydd	0	0
Ynys Môn	82	84
Cynon Valley	0	0
Merthyr Tydfil	1	169
Ogwr	672	2,086
Rhondda	0	0
Rhymney Valley	802	76
Taff Ely	469	0
Brecknock	692	200
Montgomeryshire	1,348	22
Radnorshire	343	59
Cardiff	749	0
Vale of Glamorgan	6,436	0
Lliw Valley	939	467
Neath	548	210
Port Talbot	656	553
Swansea	420	1,758
TOTAL	27,736	10,043

Mr. Nigel Jones: To ask the Secretary of State for Wales if he will publish a table showing for each Welsh county the total amount of unapplied capital receipts.

Mr. Gwilym Jones: The information requested is given in the table.

Usable capital receipts at 31 March 1992

	£000s
Clwyd	0
Dyfed	267
Gwent	7,080
Gwynedd	333
Mid Glamorgan	414
Powys	27
South Glamorgan	1,551
West Glamorgan	236
Total	9,908

Mr. Nigel Jones: To ask the Secretary of State for Wales if he will publish a table showing for each collecting

local authority in Wales how much was bid by that authority for Government funds to cover the set-up costs of the council tax and how much his Department allocated to each authority in 1992-93.

Mr. Gwilym Jones: Welsh charging authorities did not bid for funds to cover council tax preparation costs. The Government commissioned the consultants CSL Group Ltd to estimate the costs to local authorities in England and Wales of preparing for the council tax. CSL estimated that Welsh authorities would spend £9.2 million—£7.98 million on revenue costs and £1.24 million on capital costs. My right hon. Friend accepted CSL's conclusions for Wales in full and has made £5.985 million special grant available to Welsh charging authorities to cover 75 per cent. of the revenue costs. The remaining 25 per cent. of the estimated revenue cost is supported through revenue support grant. My right hon. Friend has also issued supplementary credit approvals totalling £1.24 million to cover capital costs.

Details of the special grant are set out in the Special Grant Report (Wales) 1992 which received the approval of the House on 24 June 1992. Special grant and supplementary credit approval allocations for each charging authority in Wales are as follows:

Council tax preparation costs 1992-93: allocations to charging (district) councils

	<i>Special grant</i>	<i>Supplementary credit approvals</i>
	<i>£</i>	<i>£000</i>
Alyn and Deeside	146,626	30
Colwyn	122,360	25
Delyn	134,515	28
Glyndwr	91,011	19
Rhuddlan	133,456	28
Wrexham Maelor	233,138	48
Carmarthen	118,574	25
Ceredigion	144,829	30
Dinefwr	82,613	17
Llanelli	157,876	33
Preseli Pembrokeshire	152,842	32
South Pembrokeshire	96,950	20
Blaenau Gwent	159,840	33
Islwyn	133,882	28
Monmouth	161,964	34
Newport	274,682	57
Torfaen	184,770	38
Aberconwy	121,682	25
Arfon	118,074	24
Dwyfor	71,289	15
Meirionnydd	87,750	18
Ynys Mon	156,168	32
Cynon Valley	135,366	28
Merthyr Tydfil	122,073	25
Ogwr	264,744	55
Rhondda	163,052	34
Rhymney Valley	203,908	42
Taff Ely	188,813	39
Brecknock	89,027	18
Montgomeryshire	112,828	23
Radnor	53,689	11
Cardiff	580,797	120
Vale of Glamorgan	234,950	49
Port Talbot	104,260	22
Lliw Valley	129,254	27
Neath	134,317	28
Swansea	383,031	79
Total	5,985,000	1,240

Mr. Nigel Jones: To ask the Secretary of State for Wales if he will publish a table showing for each collecting

local authority in Wales the amount of uncollected domestic rates in 1989-90 and the percentage of the total rate that this figure represented.

Mr. Gwilym Jones: The information requested is not collected centrally. I refer the hon. Gentleman to the CIPFA publication "Rate Collection Statistics 1989-90 Actuals" which provides figures for combined domestic and non-domestic rate arrears.

Mr. Barry Jones: To ask the Secretary of State for Wales what is the outstanding amount of money uncollected on the poll tax.

Mr. Gwilym Jones: Local authorities in Wales reported that, at 31 March 1992, arrears of community charges for the financial years 1990-91 and 1991-92 totalled £44 million that is equivalent to about £20 for each chargepayer.

Housing

Mr. Barry Jones: To ask the Secretary of State for Wales (1) how many housing association houses have been built in Alyn and Deeside since 1979;

(2) how many council houses have been built in Alyn and Deeside since 1979.

Mr. Gwilym Jones: A total of 404 council houses and 168 council flats were built in Alyn and Deeside between 1 January 1980 and 31 August 1992. 107 houses and 114 flats were built by housing associations in the area in the same period.

Mr. Donald Anderson: To ask the Secretary of State for Wales what is his estimate of the number of unfit homes in Wales in 1979 and in each of the past three years.

Mr. Gwilym Jones: Such information is only available from house condition surveys. From these, the estimated numbers of unfit dwellings were 90,900 in 1981 and 79,900 in 1986.

Mr. Richards: To ask the Secretary of State for Wales what is the forecast for the number of new rural housing units to be built in Wales for the year 1993-94.

Mr. Gwilym Jones: The information is not available centrally.

Household Statistics

Mr. Dafis: To ask the Secretary of State for Wales what is the total number of households in Wales where the classified head of the household is over the age of 65 years; what percentage of such households are (a) owner-occupied (i) with or (ii) without a mortgage or (b) renting from (i) a local authority or (ii) a housing association; and what percentage rent is from private landlords.

Mr. Gwilym Jones: The 1986 Welsh inter-censal survey indicated that 299,000 households were headed by a person aged 65 or over. Of these households 59.6 per cent. were owner-occupiers (of which 7.4 per cent. were with a mortgage and 92.6 per cent. were owned outright), 31.3 per cent. rented from local authorities or new towns, 1.7 per cent. from housing associations and 7.4 per cent. from private landlords and other tenures.

Food Premises

Mr. Dafis: To ask the Secretary of State for Wales what percentage of food premises in Wales were inspected by each local enforcement authority in each year since 1988; and what were the equivalent percentage figures for (a) food manufacturers, (b) restaurants and caterers and (c) food retailers.

Mr. Gwilym Jones: Information on the percentage of food premises inspected or visited has only been held centrally since 1991 and is given in the following table (1). Figures for 1992 are not yet available.

I will write to the hon. Gentleman and place a copy of my letter in the Library of the House with equivalent percentage figures for (a) food manufacturers (b) restaurants and caterers and (c) food retailers.

Percentage of food premises inspected or visited

<i>Enforcement authority</i>	<i>Percentage</i>
<i>County Councils</i>	
Clwyd ¹	13
Dyfed ¹	24
Gwent ¹	12
Gwynedd	9
Mid Glamorgan	33
Powys ¹	27
South Glamorgan ¹	16
West Glamorgan	44
<i>District Councils</i>	
Aberconwy ¹	25
Alyn and Deeside	98
Arfon ¹	12
Blaenau Gwent ¹	53
Brecknock ¹	84
Cardiff ¹	57
Carmarthen ¹	40
Ceredigion ¹	55
Colwyn ¹	40
Cynon Valley ¹	47
Delyn ¹	51
Dinefwr ¹	48
Dwyfor	26
Glyndwr	59
Islwyn	44
Llanelli ¹	25
Lliw Valley	97
Meirionnydd ¹	51
Merthyr Tydfil ¹	44
Monmouth	37
Montgomeryshire	73
Neath	67
Newport ¹	43
Ogwr ¹	32
Port Talbot	79
Preseli Pembrokeshire	77
Radnor ¹	92
Rhondda	100
Rhuddlan ¹	23
Rhymney Valley	38
South Pembrokeshire ¹	26
Swansea ¹	56
Taff Ely ¹	58
Torfaen ¹	53
Vale of Glamorgan ¹	71
Wrexham Maelor	39
Ynys Môn ¹	79
<i>Port Health Authorities</i>	
Barry ¹	100
Beaumaris	66
Caernarfon	² Nil
Cardiff ¹	64
Chester ¹	Nil
Milford	89

<i>Enforcement authority</i>	<i>Percentage</i>
Newport ¹	96
Swansea ¹	64

¹ Excludes figures for the first quarter of 1991. This was only required on a voluntary basis.

² Arfon district council act as port health authority for Caernarfon.

Nursing Appeals

Mr. Gareth Wardell: To ask the Secretary of state for Wales if he will publish the number of clinical regrading nursing appeals that are yet to be determined in Wales; and what is his target for completion.

Mr. Gwilym Jones: The numbers of clinical grading appeals outstanding in Wales are as follows:

	<i>Number</i>
At employing authority level	403
At regional level (Welsh Appeals Committee)	1,310
At national level (Negotiating Council)	170

Employing authorities are on course to have completed appeals at the local level by the end of this year. Efforts are being made to speed up the appeals process at regional and national levels, but while further appeals continue to be lodged it is not feasible to forecast when the entire process will be completed.

National Parks

Mr. Llwyd: To ask the Secretary of State for Wales if he will make it his policy to introduce environmentally sensitive area-type payments within all the national park areas of Wales.

Mr. David Hunt: I have previously announced my intention to designate Preseli, which includes part of the Pembrokeshire coast national park, as an environmentally sensitive area. The Tir Cymen scheme which offers grants for the conservation of the farm landscape is also available to farmers in parts of the Snowdonia and Brecon Beacons national parks. In addition national park authorities have the discretion to enter into agreements with farmers which encourage environmentally friendly farming.

Aerospace Industry

Mr. Barry Jones: To ask the Secretary of State for Wales how many people are employed in the aerospace industry in Wales; and if he will provide a geographical breakdown of those figures.

Mr. David Hunt: According to the latest available estimates, for September 1989, there were 9,300 people employed in the aerospace industry in Wales. A geographical breakdown of these figures would breach the guidelines for protecting confidential data relating to a small number of businesses.

Mr. Barry Jones: To ask the Secretary of State for Wales what is the average housing association rent in Wales.

Mr. Gwilym Jones: This information is not held centrally.

Mr. Barry Jones: To ask the Secretary of State for Wales what is the average council house rent in Wales.

Mr. Gwilym Jones: The average council house rent in Wales in 1992-93 is £29.74p per week.

"Women First"

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales how many copies of "Women First: a guide to health services for Women in Wales" have been (a) produced and (b) distributed by his Department to date.

Mr. Gwilym Jones: A total of 350,000 copies of the booklet have been produced and to date, approximately 325,000 have been distributed.

Crime Prevention

Mr. Llwyd: To ask the Secretary of State for Wales if he will list the councils in Wales who have appointed crime prevention co-ordinators to date; how many local authorities have submitted bids for crime prevention moneys under the urban programme; and what is the total value of these bids in accordance with each local authority area.

Mr. Gwilym Jones: Crime prevention co-ordinators have been appointed by seven of the county councils, the exception being South Glamorgan. Information is not held centrally about such appointments by district councils.

I have received the following bids for 1993-94 for funding of crime prevention and related initiatives under the urban programme:

Authority	No. of schemes	Bid for 1993-94 £
Clwyd county council	2	45,122
Alyn and Deeside district council	1	16,400
Dyfed county council	1	57,290

Authority	No. of schemes	Bid for 1993-94 £
Gwynedd county council	1	40,000
Cynon Valley borough council	2	61,904
Taff Ely borough council	3	108,422
South Glamorgan county council	2	307,000
Vale of Glamorgan borough council	2	163,000
West Glamorgan county council	2	38,670
Port Talbot borough council	2	109,500
Lliw Valley borough council	2	6,900
Swansea city council	3	57,950
Total	23	1,012,158

Bids under the urban programme normally cover a three year period; the figures show the bid for the initial year.

Proposed Legislation (Representations)

Mr. Llwyd: To ask the Secretary of State for Wales if he will make it his policy to present copies of all official representations on proposed legislation made to his Department, in the form of deposited papers to the Library unless the body or individual making the representation demands otherwise.

Mr. David Hunt: It is usual practice to deposit such representations in the Library of the House.

Food Safety

Mr. Dafis: To ask the Secretary of State for Wales how many inspections of food premises have been carried out by each local authority in Wales under the Food Safety Act 1990; and how many of such inspections have resulted in (a) the issuing of improvement and emergency prohibition notices, (b) informal warning letters or (c) the voluntary closure of companies.

Mr. Gwilym Jones: At present information is only available for 1991. This is given in the following table¹.

Enforcement authority	Number of inspections of food premises ²	Issue of improvement and emergency prohibition notices	Number of establishments subject to Written warnings	Closures (Voluntary and compulsory)
<i>County Councils</i>				
Clwyd ³	935	0	79	0
Dyfed ³	3,019	0	3	0
Gwent ³	1,015	0	0	0
Gwynedd	441	0	14	0
Mid Glamorgan	39	0	8	0
Powys ³	235	0	22	0
South Glamorgan ³	744	0	0	0
West Glamorgan	1,444	0	265	0
<i>District Councils</i>				
Aberconwy ³	303	47	50	0
Alyn and Deeside	585	326	516	0
Arfon ³	93	19	69	0
Blaenau Gwent ³	201	89	29	0
Brecknock ³	412	13	109	0
Cardiff City ³	1,794	34	546	0
Cardiff City ³	383	58	389	0
Ceredigion ³	594	9	543	0
Colwyn ³	402	70	99	0
Cynon Valley ³	251	19	0	0
Delyn ³	457	0	228	0
Dinefwr ³	225	5	104	1
Dwyfor	150	2	68	0
Glyndwr	410	67	196	0

Enforcement authority	Number of inspections of food premises ²	Issue of improvement and emergency prohibition notices	Number of establishments subject to Written warnings	Closures (Voluntary and compulsory)
Islwyn	230	75	102	8
Llanelli ³	101	25	56	1
Lliw Valley	180	24	166	0
Meirionnydd ³	155	28	107	0
Merthyr Tydfil ³	169	13	137	6
Monmouth	227	50	39	1
Montgomeryshire	475	188	235	2
Neath	411	72	57	0
Newport ³	368	66	209	0
Ogwr ³	231	108	142	0
Port Talbot	329	11	72	0
Preseli Pembrokeshire	1,220	26	281	2
Radnor ³	210	58	39	0
Rhondda	413	83	137	1
Rhuddlan ³	156	24	13	0
Rhymney Valley	214	31	158	4
South Pembrokeshire ³	144	70	23	2
Swansea ³	396	157	262	0
Taff Ely ³	227	74	219	0
Torfaen ³	212	15	60	0
Vale of Glamorgan ³	444	2	87	0
Wrexham Maelor	293	124	97	1
Ynys Môn ³	541	61	255	1
<i>Port health authorities⁴</i>				
Barry ³	23	0	0	0
Beaumaris	15	0	0	0
Caernarfon	Nil return—Arfon BC act as port health authority for Caernarfon			
Cardiff ³	1	0	0	0
Chester ³	Nil return			
Milford	2,186	0	11	0
Newport ³	63	0	0	0
Swansea ³	700	0	40	0

¹ These statistics cover work carried out by local authorities under the Food Safety Act 1990, regulations made under it and the Official Control of Foodstuffs Directive. They exclude:

- meat hygiene inspections carried out under EC veterinary legislation;
- milk hygiene inspections of production plants;
- inspections carried out by the Wine Standards Board under EC wine legislation.

² The number of food hygiene and food standards inspections covers:

- inspection of premises;
- inspection of equipment including cleaning and maintenance equipment;
- inspection of a process or operational procedure;
- inspection of the hygiene or practices of personnel;
- inspection of food (including ingredients, additives and products at any stage of manufacture) or contact materials;
- inspection of labels, labelling equipment and advertising matter and/or inspection of records.

These figures exclude all other visits eg revisits to check compliance with notices, sampling visits and visits to follow up complaints.

³ Excludes figures for first quarter of 1991. This was only required on a voluntary basis.

⁴ For port health authorities this includes the number of consignments and of number of ships kitchens inspected.

Acid Rain

Mr. Llew Smith: To ask the Secretary of State for Wales if he will make a statement on the effects of acid rain deposition on wildlife habitats in Wales.

Mr. Gwilym Jones: At present, no comprehensive information is available on the effects of acid rain deposition on wildlife habitats throughout Wales. The Welsh Office is currently funding research, with the Department of the Environment and the Countryside Council for Wales, aimed at providing a better overall picture of the situation.

Departmental Meetings

Mr. Llwyd: To ask the Secretary of State for Wales how many (a) meetings with external organisations and (b) public hearings were conducted by his Department

both within the Cardiff headquarters and externally in the latest year for which figures are available; how many requests were made for translation facilities at such meetings; and what proportion of such requests were fulfilled.

Mr. David Hunt: This information is not held centrally.

Refuse Collection

Mr. Llwyd: To ask the Secretary of State for Wales how many tenders for refuse collection or street cleansing are currently (a) run in-house and (b) put out to private companies in Wales; and how many tender-holders have made pre-tax losses in the latest accounting year for which figures are available.

Mr. Gwilym Jones: This information is not held centrally.

Epilepsy

Mr. Llwyd: To ask the Secretary of State for Wales what was the average annual incidence of epilepsy due to road traffic accidents in Wales between the year 1989 and 1991; and what percentage this represents of epilepsy from all causes.

Mr. Gwilym Jones: The requested information is not held centrally.

Special Needs Education

Mr. Llwyd: To ask the Secretary of State for Wales what is the average cost of special needs education per child per annum.

Sir Wyn Roberts: The average expenditure for each pupil education in maintained special schools and special education provided elsewhere than at school, is available in table 12.17 of "Statistics of Education in Wales: Schools", No. 5 1991. A copy is available in the Library of the House.

Tourism, Clwyd

Mr. Richards: To ask the Secretary of State for Wales what percentage of income in Clwyd is generated by tourism.

Sir Wyn Roberts: This information is not available centrally.

Road Traffic Injuries

Mr. Llwyd: To ask the Secretary of State for Wales what percentage of referrals for behaviour or emotional problems requiring the services of psychologists or psychiatrists in Wales between 1989 and 1991, resulted from injuries sustained in serious road traffic accidents.

Mr. Gwilym Jones: The requested information is not held centrally.

Head Injuries

Mr. Llwyd: To ask the Secretary of State for Wales how many children in Wales were assessed from 1980 to 1991 as having special educational needs due to severe head injuries (a) sustained in road traffic accidents and (b) from all causes after the neonatal period.

Sir Wyn Roberts: The information requested is not collected centrally.

Mr. Llwyd: To ask the Secretary of State for Wales how much was paid in Wales annually between 1989 and 1991 in (a) attendance allowance, (b) mobility allowance and (c) carers' allowance for disabilities due to serious head injuries (i) as a result of road traffic accidents and (ii) from all causes.

Mr. Scott: I have been asked to reply.
The information requested is not available.

Junior Doctors

Mr. Richards: To ask the Secretary of State for Wales what progress has been made to reduce the hours junior doctors work.

Mr. Gwilym Jones: The latest progress report on junior doctors' hours shows that, at the end of August, the number of junior doctors in Wales still working in hard pressed posts in excess of 83 hours per week has been reduced to below 5 per cent.

The Welsh task force is striving to ensure that the target date for reducing all junior doctors hours to a maximum of 83 per week by 1 April 1993 is met.

Building Industry

Mr. Dafis: To ask the Secretary of State for Wales how many people are currently employed in the building industry in Wales; and what was the equivalent number in each of the past five years.

Mr. David Hunt: In June this year there were 37 thousand employees employed in the construction industry. The equivalent number for each of the last five years is given in the table.

Employees in the construction industry in Wales

	<i>Thousands¹</i>
1987	43
1988	44
1989	46
1990	46
1991	42

¹ Quarterly estimate series.

Source: Employment Department.

Museums

Mr. Morgan: To ask the Secretary of State for Wales what proposals he has for central funding for the Welsh museum schools service.

Sir Wyn Roberts: I am considering this in the public expenditure round but in doing so I am taking into account that five local education authorities already fund the service and the possibility of continued support from these and other sources.

Mr. Morgan: To ask the Secretary of State for Wales (1) what consultations he has had with the council of the National Museum of Wales regarding the rules for the generation of income from European Community research grants by the national museum and any compensatory withdrawal of grant-in-aid under additionality arrangements; and if he will make a statement;

(2) what arrangements he will make to strengthen the incentives for the National Museum of Wales to undertake European Community research projects, without loss of income generated.

Sir Wyn Roberts: Our officials have provided advice to the museum on specific queries in relation to a proposed application for European Community research funding.

The public expenditure arrangements provide scope and flexibility, within the public expenditure survey, for proper consideration of the implications for domestic expenditure of European Community research and development, for the setting of priorities and obtaining value for money. Our officials stand ready to discuss these arrangements with bodies in Wales.

Health Service

Mr. Hain: To ask the Secretary of State for Wales if he will list the specialties for which the Welsh Office will be funding capital costs for the new Neath and Port Talbot hospital.

Mr. Gwilym Jones: My right hon. Friend's statement on 29 October underlined his determination that there will be a new hospital on the site at Baglan.

The review of health services to be undertaken by West Glamorgan health authority will ensure that the scheme is consistent with the possible need for further investment, including in primary and community health services, in West Glamorgan as a whole and Neath and Port Talbot in particular.

Mr. Morgan: To ask the Secretary of State for Wales if he will issue guidelines on the procedure to be followed by the chairmen and non-executive directors of newly-appointed national health service trusts in Wales in appointing to the post of chief executive, as regards advertising the vacancy (a) where a general manager is already in post, (b) where a trust crosses pre-existing unit or health authority boundaries and (c) where there is no general manager in post or where he or she is near retirement or on extended sick leave.

Mr. Gwilym Jones: The Department has issued general guidance on the appointment of executive directors of national health service trusts. The appointment of chief executives is a matter for the chairman and non-executive directors of each trust.

Training and Enterprise Councils

Mr. Kim Howells: To ask the Secretary of State for Wales what were the annual budgets of the training and enterprise councils in West Wales, Mid Glamorgan and Gwent in each year since their creation; and what is the percentage annual change in the central government contribution to each of these TEC budgets.

Sir Wyn Roberts: Comparative information is only available for financial years 1991-92 and 1992-93. This indicates that in the TECs concerned expenditure, budgets and percentage changes were as follows:

	1991-92 expenditure	1992-93 budget	Change Per cent.
Gwent	17,390	17,909	+2.98
Mid Glamorgan	20,039	20,561	+2.60
West Wales	29,295	27,911	-4.72

Mr. Kim Howells: To ask the Secretary of State for Wales how many training places at West Wales TEC, Mid Glamorgan TEC and Gwent TEC there were in each year of their operation; what are the latest current estimates; and what is the percentage year-on-year change in training places at each of those TECs.

Sir Wyn Roberts: The information is not available in the form requested.

Valleys Programme

Mr. Kim Howells: To ask the Secretary of State for Wales what was the number and percentage rate of long-term unemployed in Wales and the valleys programme area, on a seasonally adjusted basis, for (a) June 1988, (b) June 1990 and (c) September 1992.

Mr. David Hunt: The number and percentage rate of long-term unemployed in Wales and the valleys programme area are not available on a seasonally adjusted basis. The following table shows unadjusted numbers and rates of those unemployed for more than 52 weeks.

¹ July	Valleys area		Wales	
	Number	² Rate	Number	² Rate
1988	12,775	5.2	47,638	3.8
1990	6,648	2.8	23,026	1.8
1992	11,765	4.8	41,456	3.2

¹ Unemployed figures by duration are produced on a quarterly basis. The months, for which data have been produced, closest to those requested are given in this table.

² The long-term unemployed expressed as a percentage of the total workforce.

Mr. Kim Howells: To ask the Secretary of State for Wales what was the value of grant paid by year at constant prices and the associated job creation or job safeguarding effects for (a) regional development grant, (b) regional selective assistance and (c) regional enterprise grant in the valleys programme area in each year since 1988-89.

Mr. David Hunt: It is not possible to link payments of grant on a yearly basis to the number of jobs created or safeguarded over the lifetime of projects.

Payments of grant made to projects in the Valleys Programme Area since 1988-89 are as follows:

Scheme	1988-89	1989-90 ¹	1990-91 ¹	£ million 1991-92 ¹
RSA	14.3	9.5	7.6	13.0
RDG II	17.3	8.9	7.4	2.8
REG	0.1	0.2	0.5	0.3

¹ At 1991-92 prices.

For projects to which some payment of grant has been made the number of jobs created or safeguarded during the period 1988-89 to 1991-92 is as follows:

Scheme	Jobs Created	Jobs Safeguarded
RSA	10,861	4,301
RDG II	10,513	—

Note:—Some payments may have been made towards such projects in previous years, some may be made in subsequent years with more jobs created and safeguarded in subsequent years.

The REG scheme does not specifically require job creation.

Mr. Kim Howells: To ask the Secretary of State for Wales what was the percentage male unemployment rate in Wales and the valleys programme area, on a seasonally adjusted basis, for (a) June 1988, (b) June 1990 and (c) September 1992.

Mr. David Hunt: Rates for the valleys programme area and Wales are given in the table. Seasonally adjusted unemployment rates are only available for Wales.

Male unemployment rates expressed as a percentage of the work force

	June 1988	June 1990	September 1992
Valleys ¹	17.5	12.8	18.7
Wales ¹	12.3	8.0	13.3
Wales ²	12.1	8.3	13.5

¹ Unadjusted.

² Seasonally adjusted.

Ely Estate, Cardiff

Mr. Morgan: To ask the Secretary of State for Wales if he will make a statement on a second tranche of financial assistance to Cardiff city council by way of supplementary credit approval for further housing improvements on the Ely council estate.

Mr. Gwilym Jones: Decisions on this matter will be taken in due course after discussion about progress with the local authority.

TRADE AND INDUSTRY

British Nuclear Fuels plc

Mr. Flynn: To ask the President of the Board of Trade what is his current estimate of the value of depleted uranium stockpiled at nuclear facilities operated by British Nuclear Fuels plc.

Mr. Eggar: This is a commercial matter for the owners of the material.

Ozone-depleting Substances

Mr. Chris Smith: To ask the President of the Board of Trade what assessment his Department has made of what percentage of companies in the (a) electronics, (b) precision cleaning, (c) metal cleaning and (d) dry cleaning sectors view hydrochlorofluorocarbons as the only alternative to the use of chlorofluorocarbons or methyl chloroform; and what is the current level of emissions of ozone-depleting solvents from the (i) electronics, (ii) precision cleaning, (iii) metal cleaning and (iv) dry cleaning sectors.

Mr. Eggar: Latest information on the use of CFC113 and methyl chloroform in these sectors and on the proportion of companies which are considering the use of hydrochlorofluorocarbons as an alternative is contained in a report recently commissioned by my Department from Touche Ross, management consultants. A copy of the report has been placed in the Library of the House. Information on emissions of ozone-depleting substances from the sectors concerned or on companies which view hydrochlorofluorocarbons to be the only alternative is not available.

Mr. Chris Smith: To ask the President of the Board of Trade what position his Department has taken with regard to proposals by CEN, the European Committee for Standardisation, for a regulation on hydrocarbon refrigeration.

Mr. Eggar: The European Committee for Standardisation brings together the national standards bodies of the European Community and the European

Free Trade Association countries. The British Standards Institution is the United Kingdom national member of the European Committee for Standardisation. Through its technical committee structure, the British Standards Institution acts as the main channel for the United Kingdom's input into European standards-making. The determination of the United Kingdom's position on the European Committee for Standardisation proposals concerning hydrocarbon refrigeration is therefore the responsibility of the appropriate British Standards Institution technical committee.

Mr. Chris Smith: To ask the President of the Board of Trade what steps his Department has taken to promote the use of hydrocarbon refrigerants; and how much funding his Department has spent or committed to research and uptake of hydrocarbon refrigeration technology.

Mr. Eggar: Hydrocarbon refrigerants are among the alternatives to chlorofluorocarbons identified in a booklet on refrigeration and air conditioning published recently by my Department in a series entitled "Protecting the Ozone Layer and Safeguarding Your Business".

No funds have been spent on or committed specifically to the research and uptake of hydrocarbon refrigeration within the past three years. However, my Department and the Department of the Environment operate schemes of financial support for the research, development and diffusion of sound environmental technologies in general and the replacement of ozone-depleting substances is a priority area within those schemes.

Mr. Chris Smith: To ask the President of the Board of Trade what steps his Department has taken to promote the use of alternatives to HCFCs in (a) refrigeration and air conditioning, (b) foams and (c) solvents.

Mr. Eggar: HCFCs cause less damage to the ozone layer than CFCs and their availability is enabling industry to move out of CFCs more quickly than would otherwise have been the case. However, booklets on refrigeration and air-conditioning, foam blowing and solvents published recently by my Department in the series "Protecting the Ozone Layer and Safeguarding Your Business" provide information and sources of advice on alternatives to the use of ozone-depleting chemicals in the sectors concerned.

Mr. Chris Smith: To ask the President of the Board of Trade what assessment his Department has made of the percentage of demand for HCFCs within the refrigeration and air conditioning industry which results from servicing, maintenance and leaks.

Mr. Eggar: None. However, the problem of loss of refrigerants resulting from servicing, maintenance and leakage is addressed in general terms in a report by March Consulting Group on "CFCs in the UK: Refrigeration and Air Conditioning Industries", commissioned recently by the Department of the Environment.

Mr. Chris Smith: To ask the President of the Board of Trade what essential uses of HCFCs his Department has defined in solvent cleaning; and what is the current and projected demand during the next 10 years of ozone-depleting substances in solvent cleaning.

Mr. Eggar: No uses of HCFCs in solvent cleaning have yet been defined as essential for the purposes of exemption from future controls currently under discussion in the context of a review of the Montreal protocol.

The latest available forecasts of future demand for ozone-depleting substances in solvent cleaning are contained in two recent reports commissioned by my Department: figures for HCFCs are contained in a "Study of Ozone Depleting Substances" by Coopers and Lybrand; estimates for other ozone-depleting substances are contained in a report on "The Use of CFC 113 and 1,1,1 Trichloroethane as Solvents in UK Industry" by Touche Ross, management consultants. Copies of both reports have been placed in the Library of the House.

Mr. Chris Smith: To ask the President of the Board of Trade what discussions his Department has had with ICI and Rhône Poulenc regarding their production and export of HCFC22.

Mr. Eggar: Officials in my Department hold regular meetings with both those companies on the question of phasing out ozone-depleting chemicals. Both ICI and Rhône Poulenc are participating in international consortiums evaluating the toxicology and environmental impact of HFC32 as potential replacement for HCFC22. ICI announced KLEA32, a new ozone-benign refrigerant, on 1 July 1992.

Mr. Chris Smith: To ask the President of the Board of Trade (1) what discussions his Department has had with Sainsbury's regarding the use of HCFCs;

(2) what discussions his Department's officials have had with United Kingdom domestic fridge manufacturers regarding the use of hydrocarbons;

(3) what discussions his Department has had with supermarkets regarding ammonia and absorption refrigeration technology.

Mr. Eggar: Officials in my Department and the Department of the Environment have regular meetings with producers and users of ozone-depleting substances. Trade associations representing the interests of supermarkets, and United Kingdom manufacturers of domestic refrigerators and the refrigeration servicing sector are represented at these meetings. The meetings aim to ensure that manufacturers and users are aware of all current and potential options for accelerating the reduction of dependency on ozone-depleting substances.

Mr. Chris Smith: To ask the President of the Board of Trade what research his Department has undertaken or commissioned on refrigeration systems in Sweden; and what discussions the Department has had with the Swedish authorities regarding legislation restricting the use of HCFCs in refrigeration systems.

Mr. Eggar: My Department has commissioned no research into refrigeration systems in Sweden though information on relevant technological developments in Sweden and other countries is made available to it from time to time in its regular meetings with United Kingdom producers and users of ozone-depleting substances.

The United Kingdom and Sweden are both participating in discussions on future controls on the use of HCFCs in the context of the current review of the Montreal protocol.

Mr. Chris Smith: To ask the President of the Board of Trade what advice his Department has given industry with regard to hydrochlorofluorocarbon phase-out dates; and what representations his Department has received from (a) industry, (b) trade associations and (c) HCFC producers regarding phase-out dates of HCFCs.

Mr. Eggar: No dates have been agreed for the phasing-out of hydrochlorofluorocarbons, but my Department has given advice to industry that HCFCs are transitional substances which are likely to be subject to control and eventual phase-out. A range of views have been received from industry, trade associations and producers of HCFCs concerning the timetable for phasing out HCFCs and discussions are continuing.

Mr. Chris Smith: To ask the President of the Board of Trade what discussions his Department has had with German counterparts regarding hydrocarbon refrigeration technology; and if he will instruct departmental officials to visit the German company DDK Scharfenstein to investigate their domestic hydrocarbon fridge.

Mr. Eggar: It is for industry to develop the technologies to replace ozone-depleting substances and my Department and the Department of the Environment operate schemes of financial support to assist industry to do this. I understand that organisations representing producers of refrigeration equipment are aware of recent publicity concerning a domestic hydrocarbon fridge under development in Germany.

Mr. Chris Smith: To ask the President of the Board of Trade what contacts his Department has made with the German company Aerotech regarding ammonia refrigeration systems.

Mr. Eggar: None.

Mr. Chris Smith: To ask the President of the Board of Trade what policy changes he will implement as a result of recent research on the use of solvents for the Department by Touche Ross.

Mr. Eggar: The report by Touche Ross was primarily intended to inform decisions on the timetable for phasing out of ozone-depleting substances which have yet to be taken. My Department will continue to advise and assist industry to switch to alternatives to ozone-depleting substances by the deadlines agreed within the European Community and earlier where this is practicable.

Mr. Chris Smith: To ask the President of the Board of Trade what advice his Department has issued to industry with regard to section 33 of the Environmental Protection Act 1990 and the use of ozone-depleting substances; and what particular industrial processes involving the use of ozone-depleting substances are covered by section 33 of the Environmental Protection Act 1990.

Mr. Eggar: My Department's advice to industry on section 33 of the Environmental Protection Act 1990 is contained in a booklet on refrigeration and air conditioning published in the series "Protecting the Ozone Layer and Safeguarding Your Business". However, section 33 of the Act deals with the treatment, keeping or disposal of controlled waste. It is not specific to any particular process or processes.

Point of Ayr Colliery

Mr. Richards: To ask the President of the Board of Trade what were the details of the criteria on which British Coal originally decided to close Point of Ayr colliery in north Wales; and in what respects the criteria on which its future will now be assessed differ from these.

Mr. Eggar: My right hon. Friend the President of the Board of Trade and I accepted British Coal's advice that in order to meet its estimate of its potential market economically, it needed to reduce its present levels of production urgently and subsequently. We also accepted British Coal's advice as to the particular pits that should be closed. The detailed criteria used in making that decision are a matter for British Coal.

I refer my hon. Friend to the reply my right hon. Friend gave to my hon. Friend the Member for Broxtowe (Mr. Lester) on 26 October, *Official Report*, columns 522-23, announcing the terms of reference of the review of the prospects for the 21 pits, including Point of Ayr, proposed for closure by British Coal but not subject to the statutory consultation currently being undertaken by it.

Staffing Costs

Mr. Redmond: To ask the President of the Board of Trade if he will list by grade and number employed the staffing costs for the year 1991-92 and the estimate for 1992-93 for the business task force.

Mr. Eggar: The information requested for 1991-92 is as follows. No figures for 1992-93 are available: the business task forces were abolished as part of the reorganisation of the Department of Trade and Industry this summer.

Business task forces
Average cost of employing number of staff in grade (including ERNIC)

Grades	Manpower	(£000)
Grade 3	2.0	118
Grade 5	7.6	367
Grade 6	2.0	86

Average cost of employing number of staff in grade (including ERNIC)

Grade	Manufacturing technology division 1991-92		Information and manufacturing technologies division 1992-93	
	Manpower	(£000)	Manpower	(£000)
Grade 3	1.0	59	1.0	62
Grade 5	5.8	280	8.5	428
Grade 6	7.0	300	14.5	648
Grade 7	25.5	842	51.5	1,773
Senior executive officer	5.6	141	11.5	302
Senior scientific officer	9.4	240	14.0	373
Senior professional and technical officer	12.3	336	18.5	526
Higher executive officer	17.6	362	34.0	727
Higher professional and technical officer	0.6	14	0	0
Higher scientific officer	1.8	37	1.0	21
Executive officer	27.8	456	42.0	716
Professional and technical officer	1.0	19	1.0	20
Information officer	0.4	8	0	—
Administrative officer	19.2	265	36.0	516
Administrative assistant	17.7	194	35.0	398
Senior personal secretary	1.0	18	1.0	19
Personal secretary	10.0	144	18.0	270
Typist	1.6	19	5.0	63
Total	165.3	3,734	292.5	6,862

Mr. Redmond: To ask the President of the Board of Trade if he will list by grade and number employed, the staffing costs for the year 1991-92 and the estimate for 1992-93, for the telecommunications and posts division.

Grades	Manpower	(£000)
Grade 7	27.6	911
Senior Executive Officer	5.4	136
Senior Scientific Officer	2.8	72
Senior Professional and Technical Officer	0.6	16
Senior Examiner	0.4	16
Higher Executive Officer	25.7	528
Higher Scientific Officer	1.0	21
Executive Officer	25.0	410
Scientific Officer	2.0	34
Administrative Officer	13.4	185
Administrative Assistant	24.0	264
Senior Personal Secretary	2.0	36
Personal Secretary	8.0	116
Typist	5.0	61
Total	154.5	3,377

Mr. Redmond: To ask the President of the Board of Trade if he will list by grade and number employed, the staffing costs for the year 1991-92 and the estimate for 1992-93, for the manufacturing technology division.

Mr. Eggar: The information requested is as follows. The significant increase in size in 1992-93 follows the reorganisation of the Department of Trade and Industry in the summer, as a result of which the manufacturing technology division took on extra responsibilities in respect of information technology.

Mr. Eggar: The information requested is as follows. Policy responsibility for the film industry was transferred from the telecommunications and posts division to the Department of National Heritage after the general election.

Telecommunications and posts division
Average cost of employing number of staff in grade (including ERNIC)

Grade	1991-92		1992-93	
	Manpower	£000	Manpower	£000
Grade 3	1.0	59	1.0	62
Grade 4	1.0	54	1.0	56
Grade 5	4.9	237	5.0	252
Grade 6	1.0	43	1.0	45
Grade 7	17.6	581	15.3	527
Senior executive officer	1.0	25	2.0	52
Senior scientific officer	1.0	26	1.0	27
Higher executive officer	12.2	251	13.0	278
Higher professional and technical officer	1.0	23	1.0	24
Executive officer	14.4	236	13.5	230
Administrative officer	4.6	64	3.0	43
Administrative assistant	12.2	134	12.5	142
Senior personal secretary	1.0	18	1.0	19
Personal secretary	6.4	92	7.0	105
Typist	1.0	12	1.0	13
Total	80.3	1,855	78.3	1,875

Mr. Eggar: The information requested is as follows:

Mr. Redmond: To ask the President of the Board of Trade if he will list by grade and number employed, the staffing costs for the year 1991-92 and the estimate for 1992-93, for the competition policy division.

Competition policy division
Average cost of employing number of staff in grade (including ERNIC)

Grade	1991-92		1992-93	
	Manpower	(£000)	Manpower	(£000)
Grade 3	1.0	59	1.0	62
Grade 5	3.0	145	3.3	166
Grade 6	0.6	26	1.0	45
Grade 7	10.3	340	10.5	361
Senior executive officer	1.2	30	1.0	26
Higher executive officer	6.4	131	7.0	150
Executive officer	4.0	66	4.5	77
Administrative officer	2.6	36	2.0	29
Administrative assistant	6.6	73	7.0	80
Senior personal secretary	1.6	29	2.0	37
Personal secretary	3.4	49	2.0	30
Typist	1.0	12	2.0	25
Total	41.7	996	43.3	1,088

Mr. Eggar: The information requested is as follows:

Mr. Redmond: To ask the President of the Board of Trade if he will list by grade and number employed the staffing costs for the year 1991-92 and the estimate for 1992-93 for the companies investigation branch.

Companies investigation branch
Average cost of employing number of staff in grade (including ERNIC)

Grade	1991-92		1992-93	
	Manpower	(£000)	Manpower	(£000)
Grade 4	1.0	55	1.0	56
Grade 5	2.0	97	2.0	101
Grade 6	3.0	129	3.0	134
Grade 7	4.0	132	5.0	172
Insolvency Grade A	3.0	139	3.0	145
Insolvency Grade B	13.0	471	15.0	567
Insolvency Grade C	25.0	700	24.5	714
Insolvency Grade D	3.0	70	3.0	73
Investigation Officer	2.0	41	1.0	21
Senior Executive Officer	2.0	50	3.0	79
Higher Executive Officer	1.5	31	1.5	32
Executive Officer	5.0	82	5.0	85
Administrative Officer	10.0	143	12.0	172
Administrative Assistant	5.0	55	5.0	57
Personal Secretary	6.0	87	6.0	90
Typist	1.0	12	1.0	13

Grade	1991-92		1992-93	
	Manpower	(£000)	Manpower	(£000)
Total	86.5	2,342	91.0	2,511

Mr. Redmond: To ask the President of the Board of Trade if he will list by grade and number employed, the staffing costs for the year 1991-92 and the estimate for 1992-93, for the insurance division.

Mr. Eggar: The information requested is as follows.

Insurance division				
Average cost of employing number of staff in grade (including ERNIC)				
Grade	1991-92		1992-93	
	Manpower	(£000)	Manpower	(£000)
Grade 3	1.0	59	1.0	62
Grade 5	4.1	198	3.5	176
Grade 6	1.0	43	1.0	45
Grade 7	13.3	439	13.5	465
Senior executive officer	2.4	60	2.5	65
Higher executive officer	19.1	392	26.5	567
Executive officer	26.2	430	24.0	409
Librarian	0.2	4	0	0
Administrative officer	13.6	188	11.0	158
Administrative assistant	10.2	112	10.5	119
Senior personal secretary	0.2	4	1.0	19
Personal secretary	4.2	61	3.0	45
Typist	0.4	5	1.0	13
Total	95.9	1,995	98.5	2,143

Power Generation

Mr. Austin Mitchell: To ask the President of the Board of Trade whether power is still being generated for supply to the national grid on the basis of merit order of power stations based on generating cost; and whether he will publish the most recent list of power stations by that merit order, together with their generating capacity, power produced and fuel consumption.

Mr. Eggar: The National Grid Company is required by its transmission licence to schedule and dispatch plant in accordance with a bid price merit order system, under which generators submit price bids for their stations daily and the cheapest plant bid is used first, within the technical constraints of the transmission and distribution system. Price bids are a matter for the generators. Daily information on bid prices and capacity available is not published but may be obtained from National Grid Company Settlements Ltd. Figures for power produced and fuel consumption are commercially confidential.

Coal Industry

Mr. Llew Smith: To ask the President of the Board of Trade if he will list by date the meetings he, Ministers or officials of his Department, have had with external bodies or expert consultants on the coal industry since 15 April.

Mr. Eggar [holding answer 2 November 1992]: My right hon. Friend and I, and our officials, have had numerous meetings with external bodies and expert consultants on the coal industry since 15 April.

Nuclear Materials Review Conference

Mr. Llew Smith: To ask the President of the Board of Trade what submissions on physical protection, inventory control and enhanced security were put forward by Her Majesty's Government to the review conference on the physical protection on nuclear materials held between 29 September and 1 October; and if he will make a statement on the outcome of the review conference.

Mr. Eggar [holding answer 2 November 1992]: The Government's aim at the review conference was to ensure that the high standards of physical protection required by the convention on the physical protection of nuclear material were maintained and to urge states which had not already done so to accede to the convention.

The conference endorsed the important role of the convention in providing an international framework for the physical protection of nuclear material. I am placing a copy of the final statement of the conference in the Library of the House.

EC Coal Subsidy

Ms. Quin: To ask the President of the Board of Trade when he last had discussions with Commissioner Sir Leon Brittan about the differing levels of subsidy on coal production in the EC; and if he will make a statement.

Mr. Eggar [holding answer 3 November 1992]: My right hon. Friend and I meet both Commissioner Sir Leon Brittan and Commissioner Cardoso from time to time to discuss matters of mutual interest.

Energy Select Committee

Mr. Spearing: To ask the President of the Board of Trade, pursuant to his answer of 29 October, *Official Report*, cols. 784-85, to the hon. Member for Newham,

South concerning availability of his reply to the Fourth Report of the Select Committee on Energy 1991-92 (HC 113), by what means his memorandum, and that of the Director General of Electricity Supply, were released to the press; and if he will list the names of journals to which it was sent without a request.

Mr. Eggar [*holding answer 3 November 1992*]: My Department's memorandum was circulated using our standard method of distribution for press notices, which covers around 450 newspapers, journals, media and other companies and individuals. The Office of Electricity Regulation circulated its press release to its standard distribution list of more than 500 newspapers and other contacts, and sent a copy of the director general's memorandum to the majority of press and media contacts.

Gas Reserves

Mr. Hardy: To ask the President of the Board of Trade what proportion of the reserves of gas which he has estimated will meet Britain's requirements have yet to be proved; and what proportion he estimates will come from smaller fields than those which currently provide supplies to the home market.

Mr. Eggar [*holding answer 4 November 1992*]: My Department's latest estimates of United Kingdom gas reserves were published in the Brown Book—"Development of the Oil and Gas Resources of the United Kingdom"—in April 1992. About 37 per cent. of the total are reserves which have yet to be proved by drilling. Reserves in future fields will fall within a wide range, but it is not expected that any will compare in size with the largest fields currently supplying the United Kingdom market.

Pit Closures

Mr. Alex Carlile: To ask the President of the Board of Trade how many representations he has received in the last three months from businesses wishing (a) to reopen closed pits in Wales and (b) to maintain existing pits under new management; and if he will make a statement.

Mr. Eggar [*holding answer 4 November 1992*]: My Department has not received any representations in the last three months from businesses wishing to reopen closed pits in Wales. It has received a number of representations in relation to taking over existing pits in Wales for operation under new management.

Expressions of interest in pits are a matter for British Coal, which has a duty to consider carefully applications from responsible organisations seeking licences to mine.

DEFENCE

Reserve Forces

Mr. Brazier: To ask the Secretary of State for Defence what plans he has to use members of the reserve forces in support of current operations.

Mr. Archie Hamilton: My right hon. and learned Friend the Secretary of State for Defence reported to the House by notice last month the call-out of a small number of willing officers of the Royal Air Force Volunteer Reserve to support current operations.

A further need for specialist support available only from the reserve forces has now become apparent, and a number of individuals from the Territorial Army's intelligence and security group (volunteers) have offered to serve on duties in the United Kingdom. My right hon. and learned Friend the Secretary of State has made the Queen's order required by section 12(1) of the Reserve Forces Act, 1980, and has formally called them out under section 11(1) of the Act.

A number of officers of the Royal Naval Reserve have also volunteered to serve, and they are being called up under the provisions of an Order in Council made in May 1982.

Agencies

Mr. Redmond: To ask the Secretary of State for Defence if he will list by grade the numbers of staff and their cost for 1991-92 and the estimated figures for 1992-93, for each executive agency and defence support agency for which he is responsible.

Mr. Aitken: This is a matter delegated to my Department's executive agencies under their framework documents. I have therefore asked each chief executive to reply direct to the hon. Member.

Letter from J. C. R. Hunt to Mr. Martin Redmond, dated 5 November 1992:

I am responding to your written parliamentary question, "to ask the Secretary of State for Defence, if he will list by grade the numbers of staff and their cost for 1991-92 and the estimated figures for 1992-93, for each executive agency and defence support agency for which he is responsible."

The answer is as follows:

The number of staff in each grade is given in the table attached. The staff cost (including superannuation) was £59.4 million in 1991-92 and is expected to be £62.9 million in 1992-93.

Meteorological office staff numbers

Grade	Average 1991-92	Estimated Average 1992-93
2	1	1
3	1	1
4	2	2
5	9	9
6	28	31
7	137	142
Senior Scientific Officer	338	355
Higher Scientific Officer	449	458
Scientific Officer	475	486
Assistant Scientific Officer	542	506
Senior Telecommunications Technical Officer	7	8
Higher Telecommunications Technical Officer	35	36
Telecommunications Technical Officer	47	47
Assistant Telecommunications Technical Officer	33	36
Senior Professional and Technology Officer	5	6
Higher Professional and Technology Officer	20	21
Professional and Technology Officer	6	7
Senior Executive Officer	5	5
Higher Executive Officer	11	12
Executive Officer	26	30
Administrative Officer	81	90
Administrative Assistant	45	50
Clerical/Support	122	114

Grade	Average 1991-92	Estimated Average 1992-93
Industrial	32	28
Locally Entered Overseas	42	39
	2,499	2,520

Letter from J. A. R. Chisholm to Mr. Martin Redmond, dated 5 November 1992:

In today's written answer the Under Secretary of State for Defence informed you that, as Chief Executive of the Defence Research Agency, I would be replying directly to your question concerning numbers and costs of staff in Executive Agencies.

The number of personnel employed by DRA on 1 April 1991 was 12,027 and the total staff costs for 1991-92 were £206 million. On 1 April 1992 total personnel numbered 11,187 for whom the costs in 1992-93 will be £211 million. Staff numbers as at 1 October 1992 are 11,267. This number will reduce slightly by the end of the year as a result of my recently announced voluntary redundancy scheme.

My colleague Roger Warren wrote to you on my behalf in July listing the DRA staffing levels by grade as at 1 April 1992. I have repeated that information below for your convenience. I am afraid a breakdown by grade is not available for 1 April 1991.

	Numbers
<i>Non industrial staff</i>	
Grade 2	1
Grade 3	8
Grade 4	6
Grade 5	40

Pay costs by grade

	Strength in grade	1991-92			Total £	Strength in grade	1992-93			Total £
		Pay/allotment/ OT/ERNIC £	Superannuation £				Pay/allotment/ OT/ERNIC £	Superannuation £		
<i>Military</i>										
Col/Lt. Col	1	44,080	12,649	56,729		1	46,105	12,811	58,916	
<i>Non-Industrial</i>										
Deputy Head	2	65,447	4,287	69,734		2	73,822	5,484	79,306	
Teacher	46	1,133,407	68,046	1,201,453		47	1,297,338	86,490	1,383,828	
Bursar	0	—	—	—		1	26,104	4,109	30,213	
RO2	1	15,892	2,518	18,410		1	17,229	2,731	19,960	
Doctor/Medical/ Consultant	1	36,660	5,785	42,445		0.5	12,888	1,612	14,500	
EO	1	15,208	2,409	17,617		1	15,854	2,511	18,365	
Librarian	1	22,100	3,508	25,608		0.3	6,981	1,110	8,091	
HIO	1	16,918	2,680	19,598		1	18,083	2,867	20,950	
IO 1	3	46,238	7,333	53,571		3	49,195	7,794	56,989	
IO 2	0.5	11,165	1,764	12,929		0.5	11,640	1,839	13,479	
Admin Officer	2	22,209	3,511	25,720		2.5	28,952	4,590	33,542	
Typist	3	34,082	5,387	39,469		3	32,139	5,100	37,239	
SOG(C)	1	16,097	2,551	18,648		1	16,897	2,678	19,575	
PIGS(E)	1	13,608	2,154	15,762		1	14,284	2,261	16,545	
SG(1)	1	9,866	1,584	11,450		1	10,807	1,706	12,513	
School Nurse	2	28,926	969	29,895		2	39,383	1,336	40,719	
House Matron	10	97,387	15,502	112,889		10	104,792	16,692	121,484	
<i>Industrial</i>										
Senior Store										
Keeper	1	8,315	1,255	9,570		1	8,718	1,313	10,031	
Store Keeper	1	8,038	1,213	9,251		1	8,437	1,272	9,709	
L/H Lab	1	7,743	1,179	8,922		1	8,298	1,250	9,548	
Labourer	2	17,087	2,275	19,362		2	17,976	2,396	20,372	
Housemaid	8	68,392	10,324	78,716		8	71,898	10,875	82,773	
Wardmaid	1	8,494	1,137	9,631		1	7,958	1,198	9,156	
Exp Wkr (1)	1	8,803	1,329	10,132		1	8,989	1,355	10,344	
Exp Wkr (3)	2	16,007	2,416	18,423		2	16,894	2,543	19,437	
Exp Wkr (5)	0.5	5,796	875	6,671		0.5	6,030	922	6,952	
Caretaker	1	7,536	1,137	8,673		1	7,958	1,198	9,156	
Steward (1)	0.5	5,969	902	6,871		0.5	6,192	946	7,138	

	Numbers
Grade 6	197
Grade 7	857
SSO/SPTO/SEO	1,285
HSO/HPTO/HEO	1,558
SO/PTO/EO	1,501
ASO/AO/AA/Sec	1,160
Others	894
Sub Total	7,507
<i>Industrial staff</i>	
Craft	2,047
Non-craft	1,443
Sub Total	3,490
<i>Military staff</i>	
All ranks	190
Total	11,187

I hope you find this information helpful.

Letter from Colonel G. H. Wilson to Mr. Martin Redmond, dated 3 November 1992:

I refer to your parliamentary question, received on 29 October, which asked the Secretary of State for Defence to list by grade the numbers of staff and their cost for each Executive Agency for 1991-92 and the estimated figures for 1992-93.

The Duke of York's Royal Military School was established as an Executive Agency of the MOD on 1st April 1992. Attached are staff numbers and costs for 1991-92 and the estimated figures for 1992-93.

	Strength in grade	1991-92		Total	Strength in grade	1992-93		Total
		Pay/allotment/OT/ERNIC	Superannuation			Pay/allotment/OT/ERNIC	Superannuation	
		£	£	£		£	£	£
Swim Bath Att	1	8,200	1,198	9,398	1	8,372	1,261	9,633
Totals	97.5	1,799,670	167,877	1,967,547	98.8	2,000,213	190,250	2,190,463

Letter from Mr. J. D. Hankinson to Mr. Martin Redmond, dated 4 November 1992:

I have been asked to write to you in answer to your Parliamentary Question.

Date of Order Paper: 28 October 1992

Queen Victoria School: Estimated staff and their costs, 1992-93

Grade	Number	Basic pay	ERNIC	Overtime	Superannuation	Total
Senior management team	5.5	160,589	14,004	2,500	14,326	191,419
Teaching and instructional staff	28.0	648,923	49,365	—	52,965	751,253
Support staff NI	20.5	202,034	14,091	22,018	30,247	268,390
I	13.0	121,627	7,614	5,226	15,222	149,689
	67.0	1,133,173	85,074	29,744	112,760	1,360,751

I trust this answer is helpful. Further instructions can be supplied if required.

Letter from Rear Admiral J. A. L. Myres to Mr. Martin Redmond, dated 4 November 1992:

Hydrographic Office DSA—Parliamentary question

You recently asked the Secretary of State for Defence to list by grade the numbers of staff and their cost for 1991-92 and the estimated figures for 1992-93, for each Executive Agency and Defence Support Agency for which he is responsible. The Minister has asked me, as Chief Executive, to reply in respect of the Hydrographic Office Defence Support Agency.

The information you requested is at the Annex. I hope this is helpful.

The information has been placed in the Library.

Letter from I. S. Mitchelson to Mr. Martin Redmond, dated 3 November 1992:

I have been asked to reply to your Parliamentary Question to the Secretary of State for Defence in which you asked him to list by grade, the numbers of staff and their cost for 1991-92 and the estimated figures for 1992-93, for each Executive Agency and Defence Support Agency for which he is responsible.

I attach a table which sets out the information you requested, in relation to SCS (NWE).

If you require further information or feel that I can be of further assistance please do not hesitate to get in touch with me.

Grade	Financial year 1991-92 Numbers in post	Financial year 1992-93 Numbers in post
<i>Administrative staff</i>		
Chief Executive	1	1
Deputy Chief Executive	1	1
Other UK based Civilians	4.2	8
Total cost	£240K	£364K
<i>Professional support staff</i>		
Chief Inspector Adviser	1	1
Principal Educational Psychologist	1	1
Senior Careers Adviser	1	1
Senior Inspection Adviser	0	2.75
SO2 (Education)-Major	1	0
Inspector Adviser	8	5.8

"31. Mr. Martin Redmond (Don Valley): To ask the Secretary of State for Defence, if he will list by grade the numbers of staff and their cost for 1991-92 and the estimated figures for 1992-93 for each executive agency for which he is responsible."

Answer: This School has been an Executive Agency since April 1st, 1992, hence it is appropriate to provide the estimated figures for 1992-93. They are as follows:

Grade	Financial year 1991-92 Numbers in post	Financial year 1992-93 Numbers in post
Advisory Teachers	12.8	14.7
Educational Psychologists	5.8	6.4
Senior Social Workers	3	3.4
Careers Advisers	3	3
Staff Development Officers	3	3
Total cost	£1,197K	£1,298K
<i>Educational staff</i>		
Headteachers	84	77.7
Deputy Headteachers	78.1	75.4
UK based Assistant Teachers	817.9	800.2
UK based Support	10.8	11
Total cost	£26,588K	£28,798K
<i>Locally employed civilians</i>		
Teachers	286.9	278.8
Other Grades ¹	946.3	962.4
Total cost	£13,762K	£13,813K

¹ This category includes miscellaneous support staff such as cooks, cleaners, secretaries etc.

Letter from D. R. French to Mr. Martin Redmond, dated 3 November 1992:

MAINTENANCE GROUP DEFENCE SUPPORT AGENCY

1. In response to Parliamentary Question 7256F, seeking the numbers of staff making up the subject Agency and their costs for financial year 1991-92 as well as the estimated figures for this financial year, you are advised that the outturn cost for the Service element in financial year 1991-92 was £126 million with the estimate for this financial year being £123 million. For the civilian element the outturn cost for financial year 1991-92 was £80 million and the estimate for this year is currently £84 million.

2. Please find at Annexes A and B the required detailed breakdown by rank/grade and number.

Annex:

A. Numbers of Service Staff for 1991-92 and Estimated Figures for 1992-93.

B. Number of Civilian Staff for 1991-92 and Estimated Figures for 1992-93.

The details have been placed in the Library.

Letter from M. J. Dymond to Mr. Martin Redmond, dated 5 November 1992:

You asked the Secretary of State for Defence for details of the number of staff in each grade and their costs in 1991-92 and 1992-93 for each MOD executive agency. As Chief Executive of DGDA I have been asked to reply for my Agency. The table at Annex A (attached) sets out the information requested.

<i>DGDA staff numbers</i>		
<i>Grade</i>	<i>Actual average 1991-92</i>	<i>Forecast average 1992-93</i>
<i>United Kingdom non-industrial staff</i>	<i>Numbers</i>	<i>Numbers</i>
Open Structure Grade 4	1	1
Open Structure Grade 5	3	3
Open Structure Grade 6	9	9
Open Structure Grade 7	15	15
Senior Executive Officer	53	52
Higher Executive Officer	176	165
Executive Officer	447	427
Senior Personal Secretary	1	1
Administrative Officer	1,023	1,006
Administrative Assistant	325	319
Typing Manager	2	4
Personal Secretary	2	3
Typist	10	29
Support Grade 1	12	12
Support Grade 2	46	52
Support Manager 2	—	2
Support Manager 3	1	3
Total United Kingdom non-industrial staff	2,126	2,103
United Kingdom industrial staff	7	8
Locally entered personnel	9	9
Total non-industrial staff	2,142	2,120
	<i>Actual costs £000</i>	<i>Forecast outturn £000</i>
Total staff costs (includes pensions and gratuity liability)	31,464	33,710

Letter from Dr. Graham S. Pearson to Mr. Martin Redmond, dated 5 November 1992:

1. Your Parliamentary Question to the Secretary of State for Defence asking if he will list by grade the numbers of staff and their costs for 1991-92 and the estimated figures for 1992-93 for each Executive Agency and Defence Support Agency has been passed to me for reply as Chief Executive of the Chemical and Biological Defence Establishment.

NARO DSA Numbers and cost

<i>Non industrial grades</i>	<i>1991-92 Numbers</i>	<i>1991-92 Cost £</i>	<i>1992-93 Numbers</i>	<i>1992-93 Cost £</i>
Unified Grade 7	4	115,781	4	120,607
Senior Executive Officer	2	71,123	2	50,778
Higher Executive Officer	10	168,768	10	186,668
Executive Officer	12	190,232	12	268,531
Administrative Officer	59	637,628	57	680,919
Administrative Assistant	39	211,779	36	233,640
Personal Secretary	1	12,262	1	12,691
Typist	9	94,644	9	93,707
Senior Professional Technical Officer	16	389,141	16	426,713

2. The number of staff in post at the end of 1991-92 and their salary/wage costs for that year were 603 and £10.08M respectively; a grade breakdown is provided in the Annex.

3. Our staff target for 1992-93 is 639½ and the estimated cost of their salary/wage costs in this year is £11.31M; a grade breakdown is also in the Annex. The difference in staff in this year numbers arises from a number of vacancies on 1 April 1992 and from additional repayment work being undertaken by this Establishment.

Chemical and biological defence establishment

<i>Grade</i>	<i>1991-92 End of year strength (b)</i>	<i>1992-93 Target (c)</i>
<i>(a)</i>		
Non-industrial staff		
Defence science group	260.5	282.0
Medical officers (research)	5.0	7.0
Veterinary officers	1.0	1.0
Defence engineering service	19.0	21.0
Professional photographic class	7.0	8.0
Process and general supervisory	15.0	16.0
Officer support grades	6.0	6.0
Graphics officer class	2.0	2.0
Occupational health nurses	—	3.0
Administration class	64.0	61.0
Secretarial class	12.0	12.0
Stores officer	3.0	3.0
Retired officers	3.0	3.0
Librarian class	1.0	1.0
Investigating officer	1.0	1.0
Fire service officer	1.0	1.0
Total non-industrials	400.5	428.5
Service officers	13.0	12.0
Other ranks	7.0	7.0
Total service staff	20.0	19.0
Industrial staff		
Craft grades	26.0	27.0
Non-craft grades	156.5	165.0
Total industrial	182.5	192.0
Total staff	603.0	639.5

Letter from Major General R. Wood to Mr. Martin Redmond, dated 2 November 1992:

Reply to Parliamentary Question 7256F

Details of Military Survey DSA staff numbers and costs for 1991-92 and 1992-93 are attached.

The details have been placed in the Library.

Letter from Captain D. E. Symonds to Mr. Martin Redmond, dated 5 November 1992:

The response to your Parliamentary Question to the Secretary of State for Defence concerning a listing by grade of the numbers and costs of staff employed in the Naval Aircraft Repair Organisation (NARO) DSA, is shown at the Annex to this letter.

<i>Non industrial grades</i>	<i>1991-92 Numbers</i>	<i>1991-92 Cost £</i>	<i>1992-93 Numbers</i>	<i>1992-93 Cost £</i>
Higher Professional Technical Officer	51	1,141,447	45	1,164,847
Professional Technical Officer	260	4,772,213	241	4,734,241
Stores Officer Grade 'B'	1	22,651	1	23,670
Stores Officer Grade 'C'	4	69,963	4	88,229
Stores Officer Grade 'D'	16	273,354	16	272,160
Instructional Officer	1	16,565	1	17,458
Support Grade 1	4	43,815	4	45,871
Support Grade 2	2	16,200	2	16,378
Processing & General Supervisory Grade 'C'	1	2,648	1	17,000
Processing & General Supervisory Grade 'D'	2	39,620	2	30,349
Processing & General Supervisory Grade 'E'	1	35,377	1	21,838
Communications Officer 3	1	16,699	1	21,776
Communications Officer 4	3	31,686	3	32,804
Senior Photographer	1	18,142	1	18,531
Total Non Industrial	500	8,193,801	470	8,578,686
Craft	651	9,218,268	626	8,955,819
Non Craft	325	3,790,171	308	3,735,192
Apprentices	152	1,036,890	147	1,104,014
Total Industrial	1,128	13,814,523	1,081	13,795,025
Total Civilian Staff	1,628	22,008,324	1,551	22,373,711
Captain RN	1	43,626	1	47,163
Commander	3	123,559	3	133,577
Lieutenant Commander	5	147,349	4	127,437
Lieutenant RN	1	23,352	1	25,245
Captain Army	1	25,206	1	27,250
Chief Petty Officer	1	28,224	—	—
Total Military	12	391,315	10	360,672
Grand Total	1,640	22,399,639	1,561	22,734,383

Letter from Mr. P. Altobell to Mr. Martin Redmond, dated 4 November 1992:

Minister of State (DP) asked me to write to you about my Agency staff numbers and their costs.

I have provided this information in the attached table. However, because of restructuring, we do not have a complete record of our costs on a compatible basis before we became an Agency in July 1992. In consequence the cost figures for both 1991-92 and 1992-93 are estimates, and I have therefore rounded the figures to the nearest £10,000.

*Defence Analytical services Agency
Staff numbers and costs 1991 to 1993*

	<i>Number of staff in full-time equivalents</i>			<i>Estimated staff costs in £'000</i>	
	<i>1 April 1991</i>	<i>1992</i>	<i>1993</i>	<i>1991-92</i>	<i>1992-93</i>
Grade 4	1.0	1.0	1.0	50	60
Grade 5	2.0	2.0	2.0	90	100
Grade 6	1.0	2.0	2.0	40	80
Grade 7	21.0	19.5	17.0	680	660
Senior/Assistant Statistician	6.0	6.0	6.0	100	100
Senior Executive Officer	2.0	2.0	3.0	50	60
Higher Executive Officer	21.0	20.0	18.0	400	440
Executive Officer	45.0	45.0	43.0	750	780
Administrative Officer	35.5	33.5	31.5	430	430
Administrative Assistant	8.5	7.0	7.5	80	70
Personal Assistant	3.0	2.0	2.0	40	30
Higher Scientific Officer	1.0	1.0	0	20	20
Warrant Officer (RAF)	1.0	1.0	1.0	20	30
College Based Sandwich Course Student	8.0	4.0	10.0	60	70
Totals	156.0	146.0	144.0	2,810	2,930

Note:—Staff costs comprise basic salary plus Earnings Related National Insurance Contributions (ERNIC).

Letter from D. Leadbeater to Mr. Martin Redmond, dated 2 November 1992:

In his reply of 5th November, the Secretary of State for Defence referred to agency chief executives the question:

To ask the Secretary of State for Defence, if he will list by grade the numbers of staff and their cost for 1991-92 and the estimated figures for 1992-93, for each executive agency and defence support agency for which he is responsible.

The Defence Operational Analysis Centre was formed as a Defence Support Agency on 1 July 1992; so a comparison of numbers within the agency over the two years is not possible.

Notwithstanding the above limitation on the use of manpower numbers, I can tell you the numbers by grade and costs for year 1991-92 prior to agency status and my projections for year 1992-93 as follows:

Rank/Grade	Average Actual Number 1991-92	Estimated Number 1992-93	Rank/Grade	Average Actual Number 1991-92	Estimated Number 1992-93
<i>Scientific Staff</i>			TG1	1.0	1.0
Grade 4	1.0	1.0	SG1	1.0	1.0
Grade 5	2.0	2.0	SG2	1.0	1.0
Grade 6	8.0	8.0	P Photo	2.0	2.0
Grade 7	20.3	19.5	HPTO	2.0	2.0
SSO	15.9	16.0	PTO	—	1.0
HSO	14.0	16.0			
SO	8.5	7.0	Civilian Staff Total Numbers	148.1	150.0
ASO	4.2	3.0			
<i>Services</i>			Cash Costs	2,937K	¹ 31,678K
Captain RN	0.9	1.0	Service Staff Total Numbers	30.8	27.0
Commander RN	1.0	1.0			
Lieutenant Commander RN	2.0	2.0	Cash Costs	1,326K	² 1,250K
Lieutenant WRNS	0.3	—			
Colonel (Army)	1.0	1.0	Total Staff Numbers	178.9	177.0
Lieutenant Colonel (Army)	3.7	2.0			
Major (Army)	12.0	11.0	Cash Costs	4,263K	4,418K
Group Captain (RAF)	1.0	1.0			
Wing Commander (RAF)	3.0	2.0			
Squadron Leader (RAF)	—	—			
<i>Support Staff (Non-Industrial)</i>			¹ Costs include basis pay, ERNIC and allowances		
Grade 7	1.0	1.0	² Costs include basic pay, ERNIC and overtime		
SEO	—	1.0	<i>Letter from Brigadier M. A. Browne to Mr. Martin Redmond, dated 5 November 1992:</i>		
HEO	4.0	4.0	In response to your question of the Secretary of State for Defence concerning staff numbers by grade and costs for 1991-92 and the estimated figures for 1992-93 for each executive agency and defence support agency I am replying in respect of the Defence Postal and Courier Service—Defence Support Agency as Chief Executive.		
EO	3.7	4.0	The staff figures for 1991-92 are the average strength in each grade for the year and the associated costs are the actual outturn figures.		
AO	12.3	13.0	Those for 1992-93 are the estimated average strength for the year and the costs are my forecast as at 31 September 1992.		
AA	7.8	7.5			
SPS	1.0	1.0			
PS	3.0	3.0			
TM	1.0	1.0			
Typist	2.2	2.0			
EO/ADP	2.0	2.0			
AO/ADP	2.9	3.0			
AA/ADP	1.0	3.0			
S/Lib	1.0	1.0			
Assistant Lib	1.0	1.0			

Grade/Rank	Staff numbers		Costs	
	1991-92	1992-93	1991-92 £	1992-93 £
MILITARY				
Brigadier	1.00	1.00	49,193	55,140
Colonel	2.00	2.00	81,687	93,622
Lieutenant Colonel	3.00	2.40	104,252	96,507
Major	8.00	8.25	223,849	265,183
Captain	7.00	7.00	157,958	192,427
Lieutenant	1.50	1.00	33,848	26,268
Warrant Officer 1	6.00	4.75	161,887	128,532
Warrant Officer 2	10.00	12.58	220,755	253,899
Staff Sergeant	10.00	9.00	216,667	203,912
Sergeant	30.00	33.70	625,472	687,164
Corporal	69.50	53.42	1,136,479	831,653
Lance Corporal	53.00	52.00	715,001	707,354
Private	90.50	70.50	924,923	680,837
Total Military	291.50	257.60	4,651,971	4,222,498
CIVILIAN				
<i>Non Industrial</i>				
Grade 7	1.00	1.00	34,161	34,572
HEO	3.00	3.00	59,782	62,136
EO	4.50	4.40	77,411	76,107
AO	15.50	18.73	179,894	237,034
AA	7.50	8.00	71,443	80,100
Personal Secretary	1.00	1.00	14,474	15,289
Typist	4.00	4.00	44,703	54,030
Support Grade 1	33.00	31.23	386,614	415,371
Support Grade 2	119.00	112.79	307,080	144,576
Support Manager 2	1.00	1.00	16,324	16,358
Support Manager 3	2.00	2.84	26,010	36,132
Defence Couriers	39.50	36.33	627,677	643,962

Grade/Rank	Staff numbers		Costs	
	1991-92	1992-93	1991-92 £	1992-93 £
<i>Industrial</i>				
Chief Steward 1	2.00	2.00	20,148	24,638
Steward 1	2.00	2.00	19,115	20,564
Steward 2	2.00	1.15	18,598	11,459
Mess Hand	11.75	11.59	109,264	122,139
Senior Storekeeper	0.50	—	4,823	—
Storekeeper	2.00	2.41	17,737	20,987
Assistant Storekeeper	0.50	—	4,305	—
Driver	1.00	1.00	8,610	10,438
Labourer	—	2.00	18,598	21,535
<i>Total Civilian</i>	252.75	246.47	3,066,771	3,047,427

I hope this information meets your requirements and is helpful in building the overall picture for staffing and costs for Ministry of Defence executive and defence support agencies.

Consultants

Mr. Simon Hughes: To ask the Secretary of State for Defence if he will list all of the reports his Department has commissioned from external consultants in each of the last three years; for each of the last three years, how many reports from external consultants to his Department led to further consultancy work being commissioned, stating for each of these who were the original and subsequent consultants and briefly describing the subject matter of the consultancy work; and if he will make a statement.

Mr. Aitken: The information requested is not held centrally and could not be compiled without disproportionate cost and effort.

Plutonium

Mr. Dafis: To ask the Secretary of State for Defence if he will make it his policy to seek amendment of the nuclear non-proliferation treaty to make the stockpiling of weapon-ready plutonium illegal for signatory members.

Mr. Aitken: It is our policy to seek an indefinite extension to the non-proliferation treaty, without amendment.

Naval Emergency Monitoring Organisation

Mr. Cohen: To ask the Secretary of State for Defence what is the role and function of the Naval Emergency Monitoring Organisation; what is its annual budget; how many personnel are assigned to it; in what year it was first established; and if he will make a statement.

Mr. Archie Hamilton: The role of the Naval Emergency Monitoring Organisation is to provide rapid and effective monitoring advice in the event of a defence radiological incident. It was established in 1961 and currently consists of around 40 full-time and 60 part-time personnel. Because the constituent teams are integrated into other MOD and naval establishments, a full cost breakdown is not available centrally and could be obtained only at disproportionate cost.

Submarines

Mr. Cohen: To ask the Secretary of State for Defence what agreements exist covering the use of extremely low frequency radio transmitters in the United States of America for the purpose of communicating with Royal

Navy submarines; and what plans he has to negotiate an agreement for the use of extremely low frequency radio transmitters in the United States of America for the purpose of communicating with Royal Navy submarines.

Mr. Archie Hamilton: We have no such agreements with the United States and no plans to negotiate any.

RAF Jets (50th Anniversary)

Mr. David Atkinson: To ask the Secretary of State for Defence in what ways the forthcoming 50th anniversary of the introduction of jet aircraft to the RAF will be commemorated.

Mr. Archie Hamilton: There are currently no plans to commemorate this anniversary.

Scottish Regiments

Mr. Menzies Campbell: To ask the Secretary of State for Defence how many representations he has received since 9 April about the proposed amalgamation of Scottish regiments.

Mr. Archie Hamilton: Since 9 April this year, my Department has received some 40 letters which were primarily about the amalgamation of Scottish regiments.

Search and Rescue

Mr. Menzies Campbell: To ask the Secretary of State for Defence if he will list for each local government region the number of rescues carried out by search and rescue crews from RAF Leuchars in each of the years (a) 1987, (b) 1988, (c) 1989, (d) 1990, (e) 1991 and (f) 1992 to date.

Mr. Archie Hamilton: Statistical data are not recorded in the form required.

Mr. Menzies Campbell: To ask the Secretary of State for Defence (1) on how many occasions in each year between 1 January 1987 and 31 December 1991 search and rescue helicopters from RAF Leuchars have been involved in operations which required them to begin or to continue flying during the hours of darkness;

(2) on how many occasions since 1 January search and rescue helicopters from RAF Leuchars have been involved in operations which required them to begin or to continue flying during the hours of darkness.

Mr. Archie Hamilton: The number of such operations is:

	Number
1987	32
1988	33
1989	21
1990	13
1991	19
¹ 1992	15

¹ Between 1 January and 31 August 1992.

Mr. Menzies Campbell: To ask the Secretary of State for Defence what are the current mandatory training requirements for night flying airmen which are applicable to search and rescue crews based at RAF Leuchars.

Mr. Archie Hamilton: Each crew member should complete a minimum of two hours of night flying per month, which includes navigation training, cliff winching training, mountain training and approaches to night landing sites. Crews at RAF Leuchars are exempt from these requirements during the months of May, June and July provided they complete a minimum of one hour of night flying during the previous two calendar months.

Mr. Menzies Campbell: To ask the Secretary of State for Defence how many rescue missions have been flown by search and rescue aircraft from RAF Leuchars in the years (a) 1987, (b) 1988, (c) 1989, (d) 1990 and (e) 1991; how many of them have involved the rescue of civilians; and how many have involved the rescue of military personnel.

Mr. Archie Hamilton: The table details the total number of rescues—including incidents such as the transfer of sick or injured people from ship to hospital—carried out by the Wessex search-and-rescue flight at RAF Leuchars in the years in question:

year	Military callouts	Civilian callouts	Total callouts
1987	2	47	49
1988	3	57	60
1989	7	38	45
1990	2	38	40
1991	—	66	66

Equipment Exhibition

Mr. Barnes: To ask the Secretary of State for Defence where the Royal Navy and British army equipment exhibition will be held; and on which days it will be open to (a) overseas customers, (b) the press and (c) the public.

Mr. Aitken: The Royal Navy and British army equipment exhibition will be held in Aldershot from 5 to 10 September 1993. The exhibition will be open to overseas visitors from 6 to 10 September, to the national press on 5 September only, and to the technical press for the whole week. The exhibition will not be open to the public.

Defence Research Agency

Mr. Flynn: To ask the Secretary of State for Defence on how many occasions the Defence Research Agency's premises in Dyfed have been used for development or test firing of the RAYO multiple launch rocket system.

Mr. Aitken: Management of the Aberporth range was transferred from the Defence Research Agency to the newly formed Directorate General of Test and Evaluation on 1 April 1992. For reasons of commercial confidentiality we do not release details of individual test firings by manufacturers at Aberporth or any of our ranges.

Mr. Flynn: To ask the Secretary of State for Defence if he will list all those countries that have used the DRA's facilities at Aberporth in Dyfed in the past five years.

Mr. Aitken: Three countries have used the Aberporth range's facilities directly during the past five years: Germany, the Netherlands and the USA. In addition, in 1988, the RAF's central tactics and trials organisation sponsored a major NATO trial involving aircraft from the following NATO countries: Belgium, Denmark, France, Germany, Italy, Norway, Portugal, Spain and the USA. We cannot, for reasons of commercial confidentiality, release details of trials in which the range's customer was United Kingdom industry but sales, or potential sales, to foreign countries were involved.

Mr. Flynn: To ask the Secretary of State for Defence if he will list all accidents involving airborne missiles that have occurred at the DRA facility in Aberporth, Dyfed since 1979 indicating the country of origin of the missiles involved.

Mr. Aitken: There have been non such incidents.

General Pinochet

Mr. Flynn: To ask the Secretary of State for Defence what was the purpose of the visit by General Pinochet of Chile to Government property in Britain in 1991.

Mr. Aitken: The general did not visit Government property.

Aviation Industry

Mr. Winnick: To ask the Secretary of State for Defence when the hon. Member for Walsall, North will receive a reply to his letter of 24 September regarding the aviation industry.

Mr. Aitken: I replied to the hon. Member's letter—which was passed to me by the Department of Trade and Industry—on 3 November.

Written Answers to Questions

Friday 6 November 1992

DUCHY OF LANCASTER

Citizens Charter

Ms. Mowlam: To ask the Chancellor of the Duchy of Lancaster what were the publication dates of (a) the citizens charter White Paper, Cm 1599, and (b) the tape recorded version for partially sighted people.

Mr. Jackson: The citizens charter White Paper (Cm 1599) was published on 22 July 1991 and the audio version on 18 November 1991.

Her Majesty's Stationery Office

Mr. Garrett: To ask the Chancellor of the Duchy of Lancaster what are the salaries of the executive directors of Her Majesty's Stationery Office at the present time and 18 months ago; and what proportion of their present salaries is in the form of performance-related pay.

Mr. Waldegrave: Responsibility for the subject of the question has been delegated to HMSO under its chief executive. I have asked him to write to the hon. Member direct.

Letter from Paul Freeman to Mr. John Garrett, dated 3 November 1992:

I have been asked to reply to your Question to the Chancellor of the Duchy of Lancaster about the salaries of HMSO's executive directors.

The remuneration arrangements for HMSO's directors are exactly the same as for other staff. Jobs are assigned to a pay band by means of an analytical job evaluation system. Progression within the pay band is dependent on performance, and performance pay is not separately identifiable. Details of the relevant pay bands are as follows:

Pay band	April 1991 £	Now £
14	27,856—36,549	29,165—38,267
15	30,748—40,343	32,193—42,239
16	33,940—44,532	35,536—46,625
17	35,658—46,786	37,334—48,985
18	37,469—49,155	39,224—51,465

ADMINISTRATION COMMITTEE

Forged Banknotes

Mr. Janner: To ask the Chairman of the Administration Committee whether he will arrange for an ultraviolet monitoring machine to be made available in the House of Commons Members' post office to protect hon. Members against receiving forged banknotes.

Mr. Martin: There is no evidence of sufficient demand to justify this provision.

AGRICULTURE, FISHERIES AND FOOD

Battery Cages

Mr. Dafis: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the main findings of the EC scientific veterinary committee report on hen welfare; and if he will make it his policy to advocate the phasing out of battery cages.

Mr. Soames: We await the official publication of the scientific veterinary committee's report, together with the Commission's proposals for revision of the Battery Hens Directive and new welfare standards for hens kept in alternative systems.

It is already the Government's policy that the current battery cage design, in which only feeding and drinking facilities are provided, must be phased out on a Community basis.

Farms (Pollution Control)

Mr. Dafis: To ask the Minister of Agriculture, Fisheries and Food what measures are currently available to assist family farms with the costs of fulfilling pollution control requirements.

Mr. Curry: Since the farm and conservation grant scheme was introduced in 1989, £88 million has been spent on grants to help United Kingdom farmers meet the costs of installing or improving waste handling facilities. Free initial advice on pollution control is available to farmers from ADAS, the Scottish Agricultural College and DANI.

In addition, the Ministry is carrying out a pilot study to see if farmers can help to reduce pollution themselves by drawing up their own farm waste management plans.

Agricultural Support

Mr. Marlow: To ask the Minister of Agriculture, Fisheries and Food if he will set out, for each system of agricultural support which will be effective next year, the total estimated cost, the likely quantities involved and also the split in costs between the common agricultural policy and United Kingdom public funds.

Mr. Curry: Details of estimates for the years 1992-93 to 1994-95 were provided in the departmental report by the Ministry of Agriculture, Fisheries and Food and the Intervention Board. This report was presented to Parliament in February 1992 and a copy was placed in the Library. Details are not readily available of the likely quantities involved in each of the support systems and could be compiled only at disproportionate cost.

Milk Hygiene

Mr. Colvin: To ask the Minister of Agriculture, Fisheries and Food what charges are being set for milk hygiene enforcement work for 1992-93.

Mr. Curry: Following consultation with interested parties the Government have today laid before Parliament regulations maintaining the current charge for milk hygiene inspection visits and increasing the charge for visits for sampling and testing of untreated milk undertaken by ADAS. The new charge will come into force on 27 November 1992.

The Milk and Dairies and Milk (Special Designation) (Charges) (Amendment) Regulations 1992 will increase the charge for sampling and testing visits from £47 to £63. This increase is necessary to assist the Government in meeting its ultimate objective of recovering the full costs of milk hygiene enforcement work. The charge for milk hygiene inspection visits will remain unchanged at £92 (£71 for producers with fewer than 20 cows), as will the present exemptions from charges for pre-registration inspection visits, for farmhouse caterers and for suppliers in remote areas.

The current milk hygiene enforcement programme will be reviewed in the context of the arrangements that are being made to implement the new EC Milk Hygiene Directive by 1 January 1994. The review will include an examination of the possibility of contracting out the work.

LORD CHANCELLOR'S DEPARTMENT

Poll Tax

Mr. Cohen: To ask the Parliamentary Secretary, Lord Chancellor's Department what is the average weekly amount ordered by magistrates for payment of poll tax arrears by recipients of income support.

Mr. John M. Taylor: This information is not collected.

Mr. Cohen: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will include in the community charge enforcement statement figures for the remission of debt following means tests.

Mr. John M. Taylor: I have no plans to add to the existing information that is supplied to the Library of the House.

Mr. Cohen: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make regulations to limit the amount of payment for poll tax arrears ordered by the courts in the case of recipients of income support to no more than £2.15 per week; and if he will make a statement.

Mr. John M. Taylor: It is not the role of the courts to determine the rate of payment of arrears by debtors subject to a liability order. Where recovery cannot otherwise be achieved, a court may, on an application by the charging authority, decide in the light of the debtor's means to postpone committal to prison for default, subject to any requirement to make such payments as the court may determine. I do not think that it would be right for me to seek to fetter the courts' discretion in such matters.

Legal Advice

Mr. Llwyd: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make it his policy to grant the right to free legal advice to all patients detained in psychiatric hospitals.

Mr. John M. Taylor: No. It is the Government's general policy that those who are assessed as having the means to contribute towards the cost of legal advice provided under the legal aid scheme should do so.

Queen's Counsel

Mr. Vaz: To ask the Parliamentary Secretary, Lord Chancellor's Department what plans he has to allow people who are being considered for appointments as Queen's Counsel to see files that are held by him on them.

Mr. John M. Taylor: Factual information held on a candidate is available on request in the form of a summary sheet. It is also open to the individual concerned to see a senior official of the Lord Chancellor's Department when he can be told the tenor of the opinions received. However, as in most organisations dealing with recruitment and appointments, the references and opinions obtained on those who have applied for appointment as Queen's Counsel are confidential. The Lord Chancellor has no plans to make them available to applicants.

Legal Aid

Mr. Vaz: To ask the Parliamentary Secretary, Lord Chancellor's Department what was the average time between legal aid work being done by barristers and legal aid fees being paid to them for (a) criminal and (b) civil legal aid for each of the past 20 years.

Mr. John D. Taylor: Figures are not available in the form nor for the period requested. The information immediately available is contained in the tables below. It shows performance against target for bills paid by the Legal Aid Board and the Crown Court. It is only available in respect of the time taken to pay bills once they have been submitted.

TRANSPORT

Safety Tests

Mr. Fisher: To ask the Secretary of State for Transport if he will make it his policy to publish annually the results of safety inspections on (a) ferries, (b) locomotives and (c) aircraft.

Mr. Norris: The Surveyor General's Organisation ... which is responsible for inspecting ferries as well as other types of ship—produces an annual report setting out its survey and inspection performance. The Civil Aviation Authority's surveyors monitor compliance with established safety standards in transport aircraft; operators are required to report defects to the CAA under the mandatory occurrence reporting system and these reports are published. Railway operators are responsible for inspecting their locomotives and while they do not publish any information on safety inspections, the Health and Safety Executive publishes an annual report on railway safety which gives details of certain safety-related failures of locomotives and multiple units which have occurred in service.

We have no plans to require the publication of any additional information.

Mr. Fisher: To ask the Secretary of State for Transport if he will make it his policy to publish annually the failure of any (a) ferry, (b) locomotive or (c) aircraft to pass safety tests.

Mr. Norris: We have no plans to publish information on individual failures at safety tests. Any ferry, locomotive

or aircraft on which a major defect was found at a safety inspection would not be allowed to return to service until the relevant fault had been rectified.

InterCity 225 Trains

Mr. Steinberg: To ask the Secretary of State for Transport, pursuant to his answer of 16 July, *Official Report*, column 866, if he will list the number of claims by British Rail, under warranty protections, to the manufacturers of InterCity 225 trains.

Mr. Freeman: The number of claims is a commercial matter between British Rail and the manufacturers.

Nuclear Materials

Mr. Llew Smith: To ask the Secretary of State for Transport if he will establish a centralised data base of the movement of nuclear materials, including medical isotopes, within, into and from the United Kingdom.

Mr. Norris: No.

Rail Privatisation

Mr. Robert Ainsworth: To ask the Secretary of State for Transport what are his plans for the membership of the franchising authority proposed as part of the rail privatisation; and what local input there will be.

Mr. Freeman: The franchising authority's head will be appointed directly by the Secretary of State. The authority will wish to take into account the views of local authorities when specifying service levels for franchises, particularly in the PTA areas where the PTEs will continue to pay for the services they support.

Mr. Robert Ainsworth: To ask the Secretary of State for Transport what plans he has to ensure the continuation of the integrated local services in the west midlands area after privatisation.

Mr. Freeman: The West Midlands, in common with 6 other areas in the United Kingdom, has a Passenger Transport Executive responsible for specifying and procuring local passenger rail services, and for measures which promote their operation in conjunction with local passenger transport services. PTEs will continue to have this responsibility following British Rail's privatisation, feeding their requirements into the service specification that the franchising authority will draw up when letting the franchises for passenger rail services which cover PTA areas.

Mr. Robert Ainsworth: To ask the Secretary of State for Transport if he will make it his policy that expenditure by the West Midlands Passenger Transport Authority on rail developments receives a return on outlay following privatisation.

Mr. Freeman: Any contractual rights or obligations existing between British Rail and the West Midlands PTA will be honoured.

Radioactive Fuel

Mr. Llew Smith: To ask the Secretary of State for Transport how many occasions in 1991 and so far in 1992 irradiated test reactor fuel from Harwell has been transported by road to Dounreay; and how many accidents have taken place in the course of those journeys.

Mr. Norris: There were no such shipments in 1991, and have been none so far this year.

Westway

Mr. Walden: To ask the Secretary of State for Transport (1) if he will list the dates of resurfacing work carried out on the Westway since 1987;

(2) to what extent the present repairs to the Westway in West London involve remedial work following the most recent previous repairs; and what amount and proportion of the costs of the current repairs are accounted for by such remedial work;

(3) why the current repairs to the Westway in West London were not carried out when the road was last under repair;

(4) what the difference is between the current repairs to the Westway in west London and those carried out in the most recent previous repair programme.

Mr. Norris: During an inspection of Westway in 1988, the waterproof membrane was found to have reached the end of its life. As an interim measure the defective membrane was patched in places between August and November of that year. This was the first time that Westway had been subject to substantial repair works since 1986. Following this interim measure, full waterproofing and resurfacing of the entire length of A40(M) is being carried out. In consultation with the police and the local boroughs (Westminster, Kensington and Chelsea, Hammersmith and Fulham) it was decided that to undertake all the work at once would cause unacceptable disruption to traffic on both Westway and the adjacent road network. The work was accordingly divided into two phases.

Phase I, from the Marylebone flyover to just short of Ladbroke Grove, and the A40(M)/M1 flyover, started in September 1991 and was completed in February 1992. Phase II, which covers work at the A40(M)/M41 roundabout and the Wood Lane flyover, began in July 1992 and is due to finish at the end of November. None of the current work is remedial work. During carriageway closures, signed diversions are in operation.

Once the work is complete, I do not envisage resurfacing the Westway for many years.

Brake Lights

Mr. Terry Davis: To ask the Secretary of State for Transport what alterations are being considered with regard to the regulations affecting the provision of high mounted brake lights on motor vehicles.

Mr. Kenneth Carlisle: I have no plans at present to alter the current lighting regulations which provide for the optional fitting of high mounted stop lamps on vehicles.

It now seems likely that Europe will follow the USA and, for the future, make the fitting of a supplementary high mounted stop lamp compulsory. When changes are agreed by the European Community, an amendment will be needed to our regulations.

EC Transport Council

Mr. Lidington: To ask the Secretary of State for Transport what was the result of the Luxembourg Transport Council.

Mr. John MacGregor: The Transport Council, in Luxembourg on 26 October, held most constructive discussions which have cleared the way for agreement on a wide range of subjects including airport slot allocation, transport infrastructure funding, road and rail transit of Austria and Switzerland and road haulage cabotage liberalisation together with associated taxation and charging issues.

Airport Slot Allocation

The Council provided guidance on the direction which further preparatory work should take on key issues, with the objective of agreeing the detailed regulation at the December Council.

Transport Infrastructure Funding

After discussion based on a presidency compromise, the Council is now in a position to reach agreement on the regulation to supersede the present transport infrastructure funding regulation, subject to the views of Parliaments. As at present, maritime and aviation infrastructure is not to be included in the regulation. Its duration is to be two years but with the provision that it will automatically lapse on the introduction of trans-European networks funding for transport under the Maastricht treaty.

Road and Rail Transit of Austria, Switzerland and Slovenia

The Council is now also in a position to conclude transport agreements between the Community and Austria and Switzerland and administrative arrangements for implementing them, subject to the views of Parliaments and to the satisfactory conclusion of outstanding discussions between Germany and Austria. The Council reached a similar provisional agreement on a Regulation on the distribution to Member States of "ecopoints" which encourage the use of "green lorries" for additional transit journeys through Austria. I expect that final agreements will be reached on these items in time for implementation from 1 January 1993.

The Council also reached agreement on a mandate and procedures for the Commission to negotiate a transit agreement between the Community and Slovenia.

Road Haulage Cabotage Liberalisation and Fiscal Harmonisation

The Council had a constructive discussion on the taxation and charging of road goods transport and made useful progress. It was agreed that the Commission's proposals on taxation and charging represent the best possible basis for making further progress. The Presidency will work further in the next few weeks on this issue and the related one of road haulage cabotage liberalisation, on the basis of the Commission's proposal together with the previous compromise proposal of the Portuguese presidency on cabotage liberalisation. Agreement on free cabotage is required under the single market provisions of the treaty by the end of 1992 and I shall be pressing for agreement on this at the Council's December meeting.

Combined Transport

The Council is also in a position to reach agreement, subject to the views of Parliaments, on a directive amending the definition of combined transport for the purpose of certain concessions to road hauliers so as to include journeys made partly by sea; and on a regulation

to extend by three years and to widen the scope of the existing regulation permitting member states to grant aid for combined transport.

The Commission's proposal for a Community shipping register, EUROS, was discussed briefly and a full discussion will take place at the December Council. The Commission briefly introduced proposals for revising the code of conduct on airline computer reservation systems, for a directive on standards for air services relations with third countries. All these issues were referred to COREPER for examination.

Rail Freight Services

Mr. Redmond: To ask the Secretary of State for Transport, pursuant to his answer of 22 October, *Official Report*, column 345, whether his Department or British Rail put out to tender the consultancy on the sale of British Rail's freight operations; and how many replies were received to the invitation to tender.

Mr. Freeman: Yes; six.

SCOTLAND

Consultants

Mr. McLeish: To ask the Secretary of State for Scotland if he will publish the names of all the consultants commissioned by his Department from 1986 to the most recent date for which information is available; and if he will give the subject and expenditure for each.

Mr. Lang [*holding answer 29 October 1992*]: I shall write to the hon. Member as soon as possible.

NATIONAL FINANCE

Low Pay

Mrs. Dunwoody: To ask the Chancellor of the Exchequer if he will make a statement on his proposals to increase equal economic opportunities for the low paid.

Mr. Lamont: The Government's strategy of reducing inflation, cutting taxes and making markets work better is the best way of helping the low paid.

Exchange Rates

Mr. Austin Mitchell: To ask the Chancellor of the Exchequer if he will publish a table showing the reduction in the trade-weighted nominal rate for the pound sterling since the fourth quarter of 1986, together with his estimate of the corresponding reduction in relative export unit values, assuming that the fall in the nominal rate is fully reflected in a reduction in the prices charged by United Kingdom exporters in foreign currency terms.

Mr. Nelson: The latest figures for the sterling effective exchange rate index and the United Kingdom's relative export prices are on the CSO databank which may be accessed through the Library of the House.

Pension Scheme Surpluses

Mr. Austin Mitchell: To ask the Chancellor of the Exchequer what proposals he has for legislation under which banks would be prevented from appropriating pension scheme surpluses in their annual accounts.

Mr. Nelson: I have no such proposals.

Bingham Inquiry

Mr. Wilson: To ask the Chancellor of the Exchequer if he will list the Government Ministers who gave evidence to the Bingham inquiry and the dates on which they appeared before the inquiry.

Mr. Nelson: A full list of those who gave evidence to the Bingham inquiry is at annex 1 to the report, a copy of which is available in the Library. Of those, five present or former Government Ministers appeared before the inquiry to give oral evidence. The dates of their appearances were:

Date and Witness

- 4 February 1992—The Right Hon. Sir Ian Stewart, now Lord Stewartby (former Economic Secretary).
6 February—The Right Hon. Nigel Lawson, now Lord Lawson (former Chancellor of the Exchequer).
10 February—The Right Hon. John Major MP (Prime Minister and former Chancellor of the Exchequer).
11 February—John Maples (former Economic Secretary).
12 February—The Right Hon. Norman Lamont MP (Chancellor of the Exchequer).

Interest Rates

Mr. John Marshall: To ask the Chancellor of the Exchequer if he will make a statement on the interest rates in Britain and other EC countries.

Mr. Nelson: United Kingdom short-term interest rates are the lowest in the EC.

Kerrey Inquiry

Mr. Wilson: To ask the Chancellor of the Exchequer if he will list the departments and agencies of Her Majesty's Government which provided evidence to the Kerrey inquiry in the United States of America; and if he will place all such evidence which has been published in the Library.

Mr. Nelson: No Departments or agencies of Her Majesty's Government provided evidence to Senator Kerrey's inquiry into the Bank of Credit and Commerce International, nor did Senator Kerrey seek to check the accuracy of his report with them.

Retail Prices Index

Mr. Cousins: To ask the Chancellor of the Exchequer what was the rate of increase in the retail prices index (a) including and (b) excluding housing costs in (i) the year, (ii) the six month period and (iii) the three month period to October; and if he will estimate the effect on the price index of including rents, but excluding mortgage costs.

Mr. Nelson: The table shows the percentage changes in the relevant components of the retail prices index for the periods specified up to September 1992, the latest date for which information is available.

Retail Prices Index: September 1992

	Index (January 1987 = 100)	Percentage change over		
		Twelve months	Six months	Three months
All items	139.4	3.6	2.0	0.1
All items except housing	134.9	3.5	1.4	-0.1
All items except mortgage interest payments	137.3	4.0	2.1	0.1

Note: The housing group of the retail prices index comprises rents in both the public and private sectors, mortgage interest payments, Community Charges, water and sewerage charges, dwelling insurance and ground rent, repairs and maintenance charges and do-it-yourself materials.

Output

Mr. Hain: To ask the Chancellor of the Exchequer if he will give figures for the percentage increases between 1979 and 1991 of (a) consumer expenditure at constant prices, (b) output, (c) output excluding North sea oil production and (d) manufacturing output.

Mr. Nelson: The percentage increases, derived at constant 1985 prices, are (a) 37.5, (b) 23.6, (c) 21.8 and (d) 5.8 respectively.

Bank and Insurance Company Accounts

Mr. Austin Mitchell: To ask the Chancellor of the Exchequer what checks he performs on bank and insurance company accounts when they are filed at Companies House.

Mr. Neil Hamilton: I have been asked to reply.

The Registrar of Companies informs me that accounts delivered to him for filing, including those of banks and insurance companies, are checked to ensure that they comprise the appropriate documents—in the majority of cases, profit and loss account, balance sheet, directors'

report and auditors' report—are duly signed and cover the appropriate period. The accounts are then made available for public inspection.

Insurance companies also deliver accounts to the insurance division of my Department under the provisions of the Insurance Companies Act 1982. These are subjected to manual and computer checks covering correctness, consistency with previous accounts and solvency.

I am advised that the Bank of England carries out its own checks on copies of accounts of banking companies, which are sent direct to them by the companies concerned.

FOREIGN AND COMMONWEALTH AFFAIRS

Fact-finding Visits

Mr. Redmond: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the fact-finding visits made in the last 12 months by the chief executive of each executive agency for which he is responsible; and what were the findings resulting from each visit.

Mr. Lennox-Boyd: Responsibility for the subject of the question has been delegated to both Wilton Park under its chief executive, Geoffrey Denton, and to the Natural

Resources Institute under its chief executive, Anthony Beattie. I have asked them to arrange for a reply to be given.

Letter from G. Denton to Mr. Martin Redmond, dated 29 October 1992:

Thank you for your question about the number of fact finding visits made by the Chief Executive of this Agency in the last twelve months.

During the year in question I did not make any fact finding visits.

Letter from A. Beattie to Mr. Martin Redmond, dated 28 October 1992:

Lady Chalker has asked me to reply to your Parliamentary Question about fact-finding visits by chief executives of Agencies.

On 8 November 1991 I visited Hadlow College in Kent to brief myself on the College's facilities and courses. On 8 May this year I went to the EC's centre for Tropical Agriculture (CTA) at Wageningen in The Netherlands to explore the scope for collaboration between the Centre and NRI and to sign a memorandum of understanding covering joint activities.

Overseas Territories

Mr. Austin Mitchell: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the proposed citizenship status under the treaty of European union, of citizens of (a) French overseas territories and (b) British dependent territories.

Mr. Douglas Hogg: The declaration on nationality of a member state accompanying the treaty on European Union states that

"the question whether an individual possesses the nationality of a member state shall be settled solely by reference to the national law of the member state concerned."

Under the United Kingdom declaration on the definition of United Kingdom nationals for European Community purposes, made on accession and revised in January 1983, the only British dependent territories citizens so defined are those

"who acquire their citizenship from a connection with Gibraltar".

These are accordingly the only BDTCs eligible for citizenship of the European union. It is not for us to comment on French nationality law.

Indonesia

Mr. Mullin: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps have been taken in respect of British arms trading with Indonesia under the terms of the European Council of Ministers declaration at Lisbon on non-proliferation and arms exports.

Mr. Douglas Hogg: None. The sale of arms and defence equipment to all destinations, including Indonesia, is subject to strict export licensing procedures. In the United Kingdom's case, the criterion agreed at the Lisbon European Council was already taken into consideration when making export licensing decisions.

Haiti

Mr. Fraser: To ask the Secretary of State for Foreign and Commonwealth Affairs what initiatives he has taken to encourage constitutional rule in Haiti.

Mr. Lennox-Boyd: We issued a statement and co-sponsored United Nations General Assembly resolution 46/7 condemning the coup and calling for the restoration of democracy in Haiti. Along with our EC partners, we continue to support the efforts of the Organisation of American States (OAS) to broker a settlement: a senior British diplomat represented the presidency on a recent OAS mission to Haiti.

EC General Affairs

Mr. Spearing: To ask the Secretary of State for Foreign and Commonwealth Affairs if, at the next General Affairs Council, he will propose that its next meeting shall be held wholly or partially in public, pursuant to its order of procedure; and if he will make a statement.

Mr. Douglas Hogg: At its next meeting on 9 November the General Affairs Council, as instructed by the European Council at Birmingham, will discuss ways in which all Councils can conduct their business in a more open and transparent way. As Chairman of the Council, my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs will call upon Foreign Ministers to consider a number of ideas including the question of whether, and under what circumstances, Council meetings should be held in open session.

Mahammed Afzal

Mr. Gordon Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps have been taken to help the Pakistani authorities to apprehend the killers of Mahammed Afzal in Jaurah village, Pakistan, on 4 October.

Mr. Lennox-Boyd: Mr. Afzal was a dual British-Pakistani national, and the United Kingdom has no standing under international law to intervene in the investigation of his murder, which is being conducted by the Pakistani police. Our High Commission in Islamabad is, however, maintaining contact with the Pakistani authorities.

NATIONAL HERITAGE

National Music Day

Mr. Batiste: To ask the Secretary of State for National Heritage if he will support a national music day in 1993.

Mr. Brooke: Following the success of the national music day on 28 June this year, I am pleased to confirm my commitment to a further national music day in 1993. This will take place on Sunday 27 June.

Redundant Churches Fund

Mr. Steen: To ask the Secretary of State for National Heritage if he will make a statement about the implementation of the Wilding report on the redundant churches fund.

Mr. Key: A number of the recommendations made by Richard Wilding in his report are for the Church Commissioners to implement through amendment of the Pastoral Measure 1983. The General Synod, which meets next week, will have before it a draft amending measure.

Should Synod approve the amending measure, I intend to bring forward legislation to amend the Redundant Churches and other Religious Buildings Act 1969 so that my Department's grant to the Redundant Churches Fund can in future be paid through the Church Commissioners rather than directly to the fund. This was a key recommendation of the Wilding report, and will strengthen the role of the Commissioners as the focal point for the review of policy, the selection of priorities and the matching of expenditure with resources.

Items in Lieu of Tax

Mr. Steen: To ask the Secretary of State for National Heritage if there have been any offers accepted in lieu of tax or allocated since his predecessor's announcement on 16 June.

Mr. Brooke: Since my predecessor's announcement on 16 June *Official Report*, cols. 448-89, I am pleased to inform the House of the acceptance of two offers in lieu of tax, and the allocation of three offers previously accepted. A further payment has also been made for an offer accepted last year.

The offers are:

A painting by Beccafumi, "San Bernardino preaching in the Campo at Siena", together with a chalk study for the painting, and two diagrams by Michelangelo, satisfying £119,000 tax, and

A sculpture by Henry Moore which will satisfy £87,500 tax.

The sculpture will be allocated to Leeds city art gallery. A decision on the allocation of the Beccafumi and Michelangelo diagrams has yet to be taken.

Three offers, previously accepted, have now been allocated.

An offer of a collection of eight contemporary paintings:

"Bomb store" by David Bomberg

"Self-portrait, recto and verso" by David Bomberg

"Ghetto theatre" by David Bomberg

"Woman and goat" by Robert Colquhoun

"Two Figures Monotype" Robert Colquhoun

"Man hosing metal fish boxes" by Prunella Clough

"Pears" by William Scott

An untitled work by Roger Hilton

"Bomb store" by David Bomberg and the Prunella Clough painting have been allocated to the Tate gallery and the remainder to the Wakefield city art gallery.

An offer comprising of a vintage motorcar and two motorcycles. The car will go to the national motor museum and the motorcycles to the Bradford industrial museum and the tank museum.

An offer comprising a Rembrandt etching and 31 illuminated manuscripts will go to the National Art Collections Fund.

The further payment for the Statham collection of porcelain will be £4,333.51.

NORTHERN IRELAND

Cattle

Mr. Beggs: To ask the Secretary of State for Northern Ireland what systems he has to ensure that payments for cattle sold into the Irish Republic can be traced to buyers in Northern Ireland.

Mr. Hanley: None. The question of payment for cattle sold in Northern Ireland is a private matter between the seller and purchaser and, if the sale is through a livestock market, the operator of the market.

Mr. Beggs: To ask the Secretary of State for Northern Ireland what action has been taken to trace cattle movements through herd book registers in Northern Ireland to identify smuggling activity into the Irish Republic.

Mr. Hanley: Checks on herd registers as a means of tracing illegal movements of cattle are ineffective. The legal movement of cattle between herds, to and from livestock markets and to slaughterhouses is recorded for purposes of animal disease control. The export of cattle to the Republic of Ireland is prohibited, except in very limited circumstances, for bovine spongiform encephalopathy reasons. This means that permits for movements to the Republic are not normally requested and such movements would not therefore be recorded in herd registers.

Cold Weather Payments Scheme

Mr. Beggs: To ask the Secretary of State for Northern Ireland how many households in East Antrim qualified for payment under the cold weather payments scheme during the winter period 1991-92.

Mr. Hanley: Social security operational matters are the responsibility of the chief executive of the Social Security Agency. However, I understand that the cold weather payment system was not triggered in any part of Northern Ireland during the winter period 1991-92 and consequently no one qualified for payment under the scheme.

Form Buildings

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he will extend the qualifying size condition for grant in respect of replacement dwellings on farms beyond the present 100 sq m restriction.

Mr. Atkins: Whilst existing floor area is not a factor when considering applications for grant for a replacement house or farmhouse, a replacement dwelling with a standard floor area of 100 sq m (1,050 sq ft) is regarded as reasonable to meet normal family requirements. In cases where specific family need can be established, such as accommodation for a disabled person, alleviating overcrowding or providing facilities to accommodate additional farm workers, and where these cannot be met within the standard 100 sq m floor area the Housing Executive, which administers this scheme, has discretion to exceed that standard.

Although farms which were certified as "viable" by the Department of Agriculture, used to enjoy preferential treatment for grants purposes, such status gave no automatic entitlement to a particular size of floor area. Applicants for grant aid who can demonstrate the need for additional floor space will not, therefore, be disadvantaged under the replacement grant scheme.

Health Service

Mr. Hume: To ask the Secretary of State for Northern Ireland if he will make a statement on the background to the review of services at Altnagelvin area hospital and

detailing the reorganisation of services including relocation of wards, changes in speciality ward numbers, introduction of new facilities and the closure or phasing out of any existing facilities.

Mr. Hanley: The Western health and social services board has established a project review group, supported by the management consultant firm of Coopers and Lybrand Deloitte, to undertake a strategic review of acute services and associated requirements at Altnagelvin hospital.

The review group's recommendations will be considered by the Western board at its meeting on 30 November 1992, following which the board will submit proposals to the Department of Health and Social Services for consideration.

In the meantime a £6.6 million external re-cladding scheme for the hospital has already been approved and is at present in planning.

Mr. Hume: To ask the Secretary of State for Northern Ireland what contacts have been made between the management executive and units in the Western health and social services board regarding proposals or potential applications for moving to HSS trust status.

Mr. Hanley: The working paper "Self-Governing Hospitals in Northern Ireland—An Initial Guide" was issued in January 1990 and all units of management within the health and personal social services were invited to express an interest in becoming health and social services trusts. The initial guide was replaced by an updated version entitled "HSS: A Working Guide" which was also issued to every Unit of Management. After the first round, the chief executive of the management executive wrote to unit general managers in all four boards inviting expressions of interest in a second round. No expressions of interest have been received from any unit within the Western health and social services board in either round.

Industrial Relations Legislation

Mr. Cormack: To ask the Secretary of State for Northern Ireland what plans he has to introduce further industrial relations legislation.

Sir Patrick Mayhew: Yes. The Trade Union Reform and Employment Rights Bill at present before the House includes an enablement whereby certain provisions may be extended to Northern Ireland by means of an Order in Council subject to negative resolution procedure. The provisions to be extended to Northern Ireland deal with EC obligations (relating to proof of an employment relationship, procedures for handling redundancies and protection against dismissal of health and safety workers), employment rights (relating to pregnant workers, sex discrimination and industrial tribunals procedures), and the abolition of wages councils. It is my intention to introduce such an order as soon as possible following Royal Assent.

The application to Northern Ireland of provisions equivalent to the remainder of the Bill, and also the provisions of the Employment Act 1990, will be considered in due course following discussions with local bodies.

Independent Living Fund

Mr. Wells: To ask the Secretary of State for Northern Ireland if he will make a statement on the cash limit, NID2, for the independent living fund.

Sir Patrick Mayhew: The cash limit for the Independent Living Fund (NID2) in 1992-93 will be reduced by £247,000 from £5,298,000 to £5,051,000. The cash limit is being reduced because of an overspend in 1991-92.

EMPLOYMENT

Wages Councils

Mr. Peter Bottomley: To ask the Secretary of State for Employment what are the lowest and the mean rates of pay discovered in wages council industries.

Mr. McLoughlin: In April 1992 the mean rate paid to workers on adult rates of pay in wages council industries was £5.05 an hour. The minimum basic rates currently range from £2.59 to £3.10 an hour.

Sunday Trading

Mr. Ray Powell: To ask the Secretary of State for Employment what research she has commissioned into the likely effectiveness and enforceability of legal measures intended to protect shop managers and employees who do not wish to work on Sundays.

Mr. McLoughlin: None. The Government will shortly be announcing their intentions regarding the current legislation governing Sunday trading.

Protective Headwear (Sikhs)

Mr. Madden: To ask the Secretary of State for Employment if she will arrange to exempt Sikhs from EC regulations requiring those people in certain occupations to wear protective headwear in their place of work; what representations she has received on this matter; what consultations EC institutions are undertaking with Sikh organisations and others; and if she will make a statement.

Mr. McLoughlin: My right hon. Friend the Secretary of State for Employment has no plans to arrange for a general exemption for turban wearing followers of the Sikh religion from the regulations to implement the European directive on the use of personal protective equipment at work. Nor has she any plans to remove the existing exemption for such Sikhs on construction sites. The Secretary of State has received a number of representations from Sikh organisations and others on this issue, to which she and Ministers of this Department have responded individually. Consultations which EC institutions undertake are a matter for those institutions themselves.

Training and Enterprise Councils

Mr. Milburn: To ask the Secretary of State for Employment, pursuant to her answer of 29 June, *Official Report*, column 418, if she will now provide the figures for training and enterprise council budgets and contracts for 1992-93 in the same form as her answer.

Mr. McLoughlin: The tables show the budgets and volumes agreed for each training and enterprise council in England for 1992-93.

Information relating to Wales and Scotland is for the respective Secretaries of State to provide.

TEC	Budget—£ million		Youth training	Training weeks × 10,000	
	Total	Enterprise training		Enterprise training	Youth training
<i>South East Region</i>					
Essex	35.5	7.8	16.2	6.6	33.0
Hampshire	34.1	5.4	17.6	9.0	39.5
Heart of England	12.2	1.7	5.7	3.4	14.6
Hertfordshire	24.8	3.1	13.2	5.5	19.5
Isle of Wight	4.3	0.6	1.9	1.6	6.8
Kent	35.1	5.3	18.0	8.6	31.5
Milton Keynes/North Buckinghamshire	8.0	1.2	4.0	2.6	11.1
Surrey	13.8	1.5	4.4	3.1	11.9
Sussex	27.2	5.1	11.3	8.3	24.5
Thames Valley Enterprise	21.2	2.1	9.2	3.6	20.3
<i>London</i>					
AZTEC	11.7	1.7	3.6	2.8	7.3
CENTEC	24.2	6.6	6.5	10.4	12.8
CILNTEC	22.6	5.9	7.3	9.7	12.4
LETEC	35.8	9.8	12.5	16.2	27.2
North London	18.9	5.0	4.1	8.1	8.5
North West London	10.0	2.8	2.5	4.5	4.9
SOLOTEC	20.1	3.3	9.1	5.3	14.7
South Thames	32.9	9.1	9.2	15.4	15.5
West London	17.3	2.5	6.6	4.1	13.6
<i>South West</i>					
Avon	28.8	6.1	11.8	10.3	26.9
Devon/Cornwall	52.5	9.0	26.3	15.7	41.5
Dorset	16.5	2.3	7.3	4.4	17.9
Gloucestershire	13.9	2.0	6.6	3.6	15.7
Somerset	13.8	2.1	6.4	4.1	15.7
Wiltshire	14.7	2.1	6.8	4.1	16.7
<i>West Midlands</i>					
Birmingham	49.8	15.6	20.6	22.4	36.7
Central England	11.7	1.8	5.1	3.4	10.9
Coventry/Warwickshire	25.4	5.0	11.9	9.1	27.3
Dudley	11.7	2.5	5.2	4.4	11.5
HAWTEC	11.8	1.8	5.5	4.0	13.5
Sandwell	12.0	2.6	5.5	4.5	13.3
Shropshire	14.7	2.4	7.7	4.4	17.3
Staffordshire	35.6	5.4	20.6	9.3	53.4
Walsall	10.0	2.3	4.3	4.3	11.3
Wolverhampton	12.1	2.5	5.2	4.6	10.8
<i>East Midlands</i>					
Bedfordshire	11.7	1.5	5.3	2.7	12.0
Cambstec	6.4	0.6	2.6	1.2	5.8
Greater Nottingham	21.0	4.1	9.7	6.5	21.2
Greater Peterborough	9.3	1.8	4.5	3.2	10.4
Leicestershire	26.2	4.0	13.3	6.5	29.0
Lincolnshire	20.7	3.7	10.2	6.7	22.0
Norfolk/Waveney	22.6	4.8	10.7	8.1	24.3
Northamptonshire	13.8	1.7	6.6	3.0	14.5
North Derbyshire	10.6	2.2	5.1	4.2	11.6
North Nottinghamshire	17.1	5.4	7.4	5.6	16.2
South Derbyshire	18.3	3.9	8.6	5.9	18.5
Suffolk	15.5	1.7	9.5	3.1	15.0
<i>Yorkshire and Humberside</i>					
Barnsley/Doncaster	25.1	5.5	12.9	9.5	26.9
Bradford and District	20.8	4.2	10.6	7.2	18.2
Calderdale/Kirklees	21.4	5.0	9.7	8.4	20.0
Humberside	37.8	8.5	17.9	14.2	37.2
Leeds	21.3	5.2	8.8	9.8	17.0
North Yorkshire	17.6	3.2	8.0	6.1	16.8
Rotherham	12.5	2.7	5.6	4.6	11.1
Sheffield	23.4	6.2	9.5	10.2	20.4
Wakefield	12.5	3.0	5.3	5.4	10.8
<i>North West</i>					
Bolton/Bury	14.4	2.1	6.9	3.7	14.8
Cewtec	21.0	5.0	9.5	8.8	19.4
Cumbria	17.7	2.4	9.7	4.3	21.3
Eltec	18.8	3.5	9.3	6.0	20.1
Lawtec	28.4	4.9	12.8	8.5	28.3
Manchester	39.3	8.7	16.4	14.5	36.3
Normidtec	14.6	2.7	7.2	4.6	15.4

TEC	Budget—£ million			Training weeks × 10,000	
	Total	Enterprise training	Youth training	Enterprise training	Youth training
Merseyside	51.0	13.2	22.8	23.1	47.6
Metrotec	11.3	2.2	5.3	3.8	11.0
Oldham	9.2	1.5	4.8	2.8	10.5
Qualitec	9.8	2.0	5.1	3.4	10.4
Rochdale	8.9	2.1	3.8	3.8	8.5
South and East Cheshire	12.8	1.9	6.5	2.8	22.3
Stockport	10.5	1.6	4.7	2.9	10.3
<i>Northern</i>					
Durham	30.1	8.5	13.0	14.4	27.2
Northumberland	15.3	2.9	7.8	5.4	12.6
Teesside	33.5	9.2	15.7	16.1	32.2
Tyneside	40.5	10.7	17.0	16.4	34.5
Wearside	18.5	5.2	7.4	9.3	17.1

Citizens Advice Bureaux

TRADE AND INDUSTRY

Price Marking Order 1991

Mr. McFall: To ask the President of the Board of Trade what representation he has received from the retail industry relating to the Price Marketing Order 1991.

Mr. Leigh: My Department has received a number of representations from the British Retail Consortium, and its constituent organisations, expressing concern about how some aspects of the order apply to them.

Mr. McFall: To ask the President of the Board of Trade if he will make a statement on his plans to amend the Price Marking Order 1991.

Mr. Leigh: This order has been looked at in detail in the light of representations received. The issues involved are complex, but my Department will be in a position to discuss the way forward with interested parties shortly.

Nuclear Power

Mr. Llew Smith: To ask the President of the Board of Trade what consultations and communications his Department has had in regard to the establishment of a structure for the forthcoming review of nuclear power; and what criteria he plans to adopt in setting out the remit for the review.

Mr. Eggar: My Department is considering the form and content of the 1994 review of the future prospects for nuclear power in the United Kingdom including the need to provide for appropriate public and parliamentary consultation. The precise terms of reference will take account of any relevant conclusions reached as a result of the review of the coal industry currently being undertaken by my Department.

Pit Closures

Mr. Llew Smith: To ask the President of the Board of Trade what environmental implications were taken into account in the original announcement for the closure of 31 pits.

Mr. Eggar: This is an operational matter for British Coal.

Dr. Wright: To ask the President of the Board of Trade what steps he proposes to take to extend the support and resources provided to citizens advice bureaux to enable them to meet their increased work load.

Mr. Leigh: The Department of Trade and Industry funds the National Association of Citizens Advice Bureaux—NACAB—and the Citizens' Advice Scotland—CAS—which provide the central support services for the local bureaux in England, Wales and Scotland. Similarly, the Northern Ireland Office funds the Northern Ireland Association of Citizens Advice Bureaux—NIACAB. Since 1982, the total grant in aid to these bodies has more than doubled from around £5.7 million in 1982-83 to around £12.6 million in 1991-92—an increase of more than 30 per cent. in real terms. Total grant in aid in 1992-93 is expected to be more than £13.2 million, representing a 5 per cent. increase over 1991-92 which is above the rate of inflation.

The funding of individual bureaux is a matter for local authorities based on their own assessment of local needs and the resources available. However, although the Government do not fund individual citizens advice bureaux, directly, the grant in aid to the central organisation does include provision to develop the local network through partnership agreements with local authorities on a strictly time limited basis.

Supervisory Bodies

Mr. Austin Mitchell: To ask the President of the Board of Trade on what basis he will be reviewing the operations of the recognised supervisory bodies in 1993.

Mr. Neil Hamilton: When the supervisory bodies for auditors were granted recognition last year under the Companies Act 1989, it was agreed with them that it would be appropriate for the bodies to review jointly with my Department in 1993 the operation of their procedures for monitoring compliance by their members with their rules.

Mr. Austin Mitchell: To ask the President of the Board of Trade what examination he made of the disciplinary procedures of the Institute of Chartered Accountants in England and Wales before granting it recognised supervisory body status.

Mr. Neil Hamilton: My Department's examination of the institute's application for recognition as a supervisory body for auditors under part II of, and schedule 11 to, the

Companies Act 1989 was such as to enable the Secretary of State to determine whether the statutory requirements were satisfied.

Mr. Austin Mitchell: To ask the President of the Board of Trade if he will make a statement on the relationship between the Auditing Practices Board and the recognised supervisory body regime established under the Companies Act 1989.

Mr. Neil Hamilton: Paragraph 8 of Schedule 11 to the Companies Act 1989 requires recognised supervisory bodies to have rules and practices governing both the technical standards which their auditor members must apply in company audit work and the manner in which those standards are to be applied. The recognised supervisory bodies have bound themselves to adopt the standards and guidelines issued by the Auditing Practices Board and they require their auditor members to comply with those standards.

Mr. Austin Mitchell: To ask the President of the Board of Trade what statutory provisions govern the recourse of members of the public to recognised supervisory bodies.

Mr. Neil Hamilton: Paragraph 12 of Schedule 11 to the Companies Act 1989 requires the recognised supervisory bodies to have effective arrangements for the investigation of complaints, both against persons who are eligible under their rules to be appointed as company auditors and for the investigation of complaints against the supervisory bodies themselves in respect of matters arising out of their functions as such. The Companies Act 1989 (Register of Auditors and Information about Audit Firms) Regulations 1991 also require the recognised supervisory bodies to maintain and make available to the public a register of individuals and firms eligible for appointment as company auditor and certain information about firms so registered.

Public Limited Companies

Mr. Austin Mitchell: To ask the President of the Board of Trade if he will bring forward proposals to require public limited companies in their notes to their annual accounts to show the number of employees who earn less than £209 per week.

Mr. Neil Hamilton: No.

Company Auditors

Mr. Austin Mitchell: To ask the President of the Board of Trade what proposals he has for legislation under which company auditors would owe a duty of care to individual shareholders.

Mr. Neil Hamilton: I have no such proposals.

Accountants

Mr. Austin Mitchell: To ask the President of the Board of Trade whether he will provide a list of the organisations which he consults before appointing accountants as inspectors.

Mr. Neil Hamilton: No. Before making such appointments, my Department makes such inquiries as are necessary and takes all relevant considerations into account.

Exports

Mr. Austin Mitchell: To ask the President of the Board of Trade whether he will publish a table showing for the United Kingdom, United States of America, Germany, France, Italy and Japan the change in relative export values for manufactures each year since 1962, on the basis of the second half of 1973 = 100, together with the change in share of exports of manufactures.

Mr. Needham: The information requested for relative export values is not available on a consistent basis before 1975. The available information is published in table F8 of the CSO publication "Monthly Review of External Trade Statistics", which is available from the House of Commons Library. Data for changes in the shares of exports of manufactured goods are given in the table.

Shares¹ of the main manufacturing countries² exports of manufactured goods percentage

	United Kingdom	USA	France	F R Germany ³	Italy	Japan
1962	14.8	23.0	8.9	19.5	5.8	7.3
1963	14.5	22.2	9.0	19.8	5.9	7.6
1964	13.3	22.4	8.7	19.4	6.3	8.2
1965	13.4	20.7	8.8	19.1	6.7	9.4
1966	12.9	20.5	8.5	19.3	6.9	9.7
1967	11.8	20.8	8.5	19.5	7.0	9.8
1968	11.0	20.6	8.2	19.4	7.3	10.6
1969	10.9	19.9	8.2	19.5	7.3	11.1
1970	10.6	18.9	8.8	19.8	7.1	11.7
1971	10.8	17.1	8.9	20.1	7.3	13.0
1972	9.9	16.2	9.3	20.3	7.6	13.2
1973	9.1	16.1	9.6	22.2	6.8	12.8
1974	8.5	17.1	9.2	21.6	6.8	14.4
1975	9.0	18.1	10.1	20.3	7.4	13.5
1976	8.4	17.5	9.6	20.6	7.1	14.6
1977	8.9	16.0	9.8	20.8	7.6	15.5
1978	8.9	15.7	9.8	20.7	7.9	15.6
1979	9.1	16.2	10.5	20.8	8.3	13.7
1980	9.6	17.2	10.0	19.9	7.8	14.8
1981	8.5	18.8	9.2	18.4	7.7	17.9
1982	8.4	18.0	9.0	19.6	7.9	17.3
1983	7.9	17.2	8.9	19.0	8.1	18.4

	United Kingdom	USA	France	F R Germany ³	Italy	Japan
1984	7.5	17.4	8.6	18.1	7.7	20.0
1985	7.8	16.8	8.5	18.6	7.8	19.7
1986	7.6	14.2	8.8	20.7	8.2	19.4
1987	8.1	14.0	9.0	21.4	8.4	18.0
1988	8.3	15.1	8.8	20.6	8.1	18.0
1989	8.2	16.1	8.8	20.4	8.4	17.5
1990	8.6	15.8	9.7	20.6	8.6	15.8
1991	8.5	17.0	9.6	19.6	8.4	16.9

¹ Share of the value of exports measured in US dollars.

² United Kingdom, USA, Germany, France Italy, Japan, Netherlands, Belgium/Luxembourg, Switzerland, Sweden, Canada.

³ Includes eastern Germany from 1990.

Sources: United Nations and national sources.

Share Options

Mr. Austin Mitchell: To ask the President of the Board of Trade what proposals he has to require company directors to give information about share options in the directors' report.

Mr. Neil Hamilton: A director is required to disclose certain information concerning share options to the company, and this must be entered in the company's register of directors' interests, which is open to public inspection. Certain information regarding options must also be disclosed in either the directors' report or the notes to the accounts. Moreover, a director is not permitted to buy options in shares in a listed company. I am aware that disclosure generally is under discussion as part of the public debate on corporate governance.

Financial Reporting Council

Mr. Austin Mitchell: To ask the President of the Board of Trade what representations he has received in favour of the transfer of the Auditing Practices Board to the Financial Reporting Council.

Mr. Neil Hamilton: I have received no such representations.

Auditing Firms

Mr. Austin Mitchell: To ask the President of the Board of Trade whether he will provide a list showing the names of the auditing firms who have been criticised five or more times in his Department's inspectors' reports published since 1988.

Mr. Neil Hamilton: Since 1988 there have been five published reports of inspectors appointed under the Companies Act containing criticism of constituent firms of what is now Ernst and Young, chartered accountants.

Polly Peck

Mr. Austin Mitchell: To ask the President of the Board of Trade if he will dismiss the Polly Peck administrators.

Mr. Neil Hamilton: The power of appointment and removal of an administrator rests with the court, not with the President of the Board of Trade.

Firework Safety

Dr. Wright: To ask the President of the Board of Trade what effect the single European market will have on firework safety in the United Kingdom; and if he will make

it his policy to ensure that any European standard is at least as high as the existing British Standard (BS 7114) on firework safety.

Mr. Leigh [holding answer 2 November 1992]: The Single European Market should not have an immediate direct effect on fireworks safety in the United Kingdom. The United Kingdom delegation on the CEN technical committee will continue to try to ensure that any European standard for fireworks matches the high standards of safety in the United Kingdom; work on producing such a standard is some years away from completion.

First Stop Shops

Mr. David Porter: To ask the President of the Board of Trade if he will make a statement on how his proposed first stop shops to support local businesses in Suffolk and Norfolk will be implemented; and how overlap with existing agencies will be avoided.

Mr. Leigh [holding answer 2 November 1992]: Following extensive consultation, my Department will be issuing a prospectus inviting bids to operate up to 15 pilot one stop shops in England. The bids will be drawn together by the training and enterprise councils and a key criterion for success will be that the bids clearly demonstrate an active partnership between all the relevant local business support agencies. Following the evaluation of the pilot operating a national network will be established.

Coal Subsidies

Mr. Nicholas Winterton: To ask the President of the Board of Trade if he will give details of those subsidies which have been made to the mining operations of British Coal in each of the last eight quarter year periods for which figures are available.

Mr. Eggar [holding answer 2 November 1992]: Figures for financial assistance to British Coal by quarter are not readily available. Government grants paid to British Coal in the last two financial years, 1991-92 and 1990-91, were £709 million and £1,822 million respectively. In addition British Coal benefited by about £1 billion in both years from the high margins, over and above world market prices, that the electricity generators are obliged to pay for their coal supplies from the corporation under present contracts.

Animal Testing

Mr. Hardy: To ask the President of the Board of Trade if he will make it his policy that the use of animals in skin and eye irritant testing of cosmetic materials will be ended during or before 1998.

Mr. Leigh [*holding answer 4 November 1992*]: In March we called on the European Community to set 1998 as a target date for the replacement of animal tests for skin and eye irritancy, subject to there being validated non-animal alternatives.

Estate Agency Fees

Mr. Nigel Griffiths: To ask the President of the Board of Trade if he will investigate the attempt to form a cartel to control the fee structure of estate agency business in part or parts of Scotland by Slater Hogg and Howison, Ron Slater Estate Agents Ltd. and Royal Life Estates.

Mr. Neil Hamilton [*holding answer 5 November 1992*]: Any attempt to control the fee structure of estate agency business in any part of the United Kingdom is a matter for the Director General of Fair Trading, Sir Bryan Carsberg, to consider. Any evidence of possible anti-competitive agreements should be submitted to Sir Bryan.

Pit Closures

Mr. Hanson: To ask the President of the Board of Trade what assessment he has made of the socio-economic consequences of the closure of Point of Ayr Colliery, north Wales; and if he will make a statement.

Mr. David Hunt: I have been asked to reply. As the hon. Gentleman will know, a review of the proposed closure of 21 pits is under way and a moratorium has been announced on these proposals while the review takes place. My Department is in discussions with the North East Wales TEC, the Welsh Development Agency and local authorities on measures to promote economic diversification and employment opportunities in the area.

HEALTH

Agencies

Mr. Redmond: To ask the Secretary of State for Health if she will list by grade the numbers of staff and their cost for 1991-92 and the estimated figures for 1992-93, for each executive agency for which she is responsible.

Dr. Mawhinney: Responsibility for the subject of the question has been delegated to the National Health Service Estate Agency under its chief executive Mr. John Locke and to the Medicine Control Agency under its chief executive Dr. Keith Jones. I have asked them to reply to the hon. Member.

Letter from K. Jones to Mr. Martin Redmond, dated 5 November 1992:

The Secretary of State for Health will have advised that your recent Parliamentary Question would be answered directly by the Chief Executives of the Agencies concerned. I have set out below the response for the Medicines Control Agency.

Numbers of staff, by grade, are as follows:

Grade	1991-92 ¹	1992-93 ²
Unified Grade 3	1	1
Unified Grade 4	5	5
Unified Grade 5	23	26
Unified Grade 6	13	13
Unified Grade 7	51	53
Senior Executive Officer/Pharmaceutical Officer I/Senior Scientific Officer	32	33
Higher Executive Officer/Pharmaceutical Officer II/Higher Professional and Technical Officer/Higher Scientific Officer	29	29
Executive Officer/Scientific Officer	40	42
Administrative Officer/Assistant Scientific Officer	37	40
Administrative Assistant	65	67
Senior Personal Secretary	6	6
Personal Secretary	32	33
Typist/Support Grade Band I	2	2
Support Grade Band II	4	4
Totals	340	354

Total costs³ are as follows:

	(£000)	(£000)
Salaries, National Insurance, and Superannuation:	9,039	9,750

¹ Average number of permanent staff during 1991-92, as shown in the Agency's Annual Report and Accounts, plus temporary and contract staff. Numbers by grade have been adjusted to take account of fluctuations during the year.

² Estimated numbers and costs.

³ Cost of permanent and temporary staff as shown in the Agency's Annual Report and Accounts.

I regret it is not possible to show costs by grade, as staff budgeting in the MCA is based on functional businesses.

I hope you find this reply helpful. A copy will appear in the Official Report. Copies are also being placed in the Library.

Letter from J. Locke to Mr. Martin Redmond, dated 5 November 1992:

I have been asked by the Secretary of State for Health to reply to your recent Parliamentary Question (No. 1515) regarding Agency staff. Please find attached the number and cost for each grade as recorded in the 1991-92 Annual Report and estimates for 1992-93. The salaries disclosed do not include Employer's National Insurance Contributions or Superannuation.

On the 1 April 1992, the Agency absorbed the Works Information Management System Centre of Responsibility from the North East Thames Regional Health Authority, including their 12 posts.

In April 1993 the Agency will be relocating to Leeds in West Yorkshire. A proportion of London based staff will not be relocating, and the 1992-93 estimate includes the additional cost of advance recruitment.

National Health Service Estates Agency Cost and number of personnel by grade

Grade	1991-92 Actual		1992-93 Estimated	
	Number	£	Number	£
3 ¹	1-0	55,000	1-0	64,025
5	6-0	259,827	5-0	228,431
6	16-8	572,207	17-5	627,710
NO	1-0	35,281	1-0	37,221
7	42-5	1,391,727	41-0	1,417,785
SPTO	8-7	258,236	15-0	471,348
SIO	0-0	0	1-0	21,814
HPTO	3-0	66,062	8-0	185,855
PTO	3-5	62,998	3-0	56,968
SEO	0-5	9,846	2-0	41,550
HEO	11-9	247,056	14-0	306,126
IO	0-0	0	2-0	35,014
EO	13-5	213,353	15-0	250,098

Grade	1991-92		1992-93	
	Actual Number	£	Estimated Number	£
SPES	3.0	58,960	0.0	0
PES	7.8	121,220	8.0	130,664
AO	7.0	115,033	8.0	138,302
AA ²	2.3	45,577	3.0	61,910
TYP	0.0	0	2.0	32,666
	128.6	3,512,384	146.5	4,107,488

¹ The Estimated Salary for 1992-93 includes a bonus payment relating to 1991-92.

² Cost includes casual employees not included in staff numbers.

London Ambulance Service

Mr. Raynsford: To ask the Secretary of State for Health in what percentage of incidents the London ambulance service failed to meet its call-out time standards in each month of the current year to date; and what were the figures for the equivalent months in each of the past five years.

Mr. Sackville: Monthly details of the response times of ambulance services are not collected centrally. The available information is in the table.

*Summary of response times of the London Ambulance Service—
1987-88 to 1991-92*

	Total emergency calls	Percentage where response time within performance standard 1	Percentage where response time within performance standard 2
1987-88	470,348	21	85
1988-89	451,150	18	83
1989-90	231,294	14	79
1990-91	456,659	11	74
1991-92	472,310	15	64

Performance standard 1: 50 per cent. of ambulances to respond within seven minutes up to 1990-91 and eight minutes in 1991-92.

Performance standard 2: 95 per cent. of ambulances to respond within 14 minutes.

(i) The number of calls received in 1989-90 are low due to the ambulance dispute which took place during that year.

(ii) 1991-92 figures are provisional.

The response time of an ambulance is the time taken from an emergency call being received, to the arrival of a fully equipped vehicle at the patient's location.

These figures are likely to underestimate the performance of the LAS because percentages relate to the total number of calls and not all calls result in a response.

Mr. Raynsford: To ask the Secretary of State for Health how many complaints have been received (a) by her Department and (b) by the London ambulance service in each month of the current year to date about delays or failures by the London ambulance service in responding to (i) emergency and (ii) other calls; and how many of these have involved incidents in which patients have died between the time at which the call was logged and the time at which the patient was delivered to hospital.

Mr. Corbyn: To ask the Secretary of State for Health how many complaints she has had from the public about the condition of the London ambulance service since the introduction of the computerised system.

Mr. Sackville: There has been widespread concern and a large number of complaints have been made about the emergency services of the London ambulance service.

My right hon. Friend announced to the House, on 28 October, an external inquiry into the operation of the computer-aided despatch system and the circumstances surrounding its failure on 26 and 27 October. My right hon. Friend has today announced further details of the terms of reference and composition of the inquiry which will also enquire into the further failure of the system on 4 November.

Every allegation that a patient died as a result of the computer failure will be investigated by the acting chief executive of the London ambulance service.

Mr. Corbyn: To ask the Secretary of State for Health what recent meetings she has held with the director of the London ambulance service; and what subjects were discussed.

Mr. Sackville: The South West Thames regional health authority is responsible for the London ambulance service. My right hon. Friend met Professor Marian Hicks, chairman of South West Thames regional health authority, members of the South West Thames regional health authority management team and Mr. James Harris, chairman of the London ambulance service on 16 October 1992. There was a full discussion about the reasons for the unsatisfactory performance of the London ambulance service in responding to emergency calls.

My right hon. Friend had a further meeting with the regional general manager of SW Thames RHA and the acting chief executive of the London ambulance service on 3 November.

Mr. Corbyn: To ask the Secretary of State for Health what internal audit has been done of the purchase and efficiency of the London ambulance service computer.

Mr. Sackville: The purchase of the computer-aided dispatch system by the London ambulance service was subject to the South West Thames regional health authority standing orders and standing financial instructions. The RHA is satisfied that these were complied with.

The development of the system was managed by a project board in line with the PRINCE project management methodology. During the development phase the component parts were tested on dummy data.

The system would ordinarily have been subject to a post implementation review but due to the problems experienced following full implementation the London ambulance service reverted to a part manual system. Following a further failure on 4 November the London ambulance service have now reverted to a full manual system. My right hon. Friend the Secretary of State announced in the House on 28 October, that there will be an external inquiry into the operation of the computer-aided dispatch system. Further details of the terms of reference and composition of the enquiry were announced today.

Mr. Mackinlay: To ask the Secretary of State for Health how many different ambulance controls systems have been installed at the headquarters of the London ambulance service over the past 15 years; what was their cost; and what were the reasons for their abandonment.

Mr. Sackville: I am advised that an ambulance control system was originally commissioned at a cost of £1.8 million by South West Thames regional health authority who were responsible for the management of the London ambulance service. When the London ambulance service

board was established, in August 1990, the system was found to be inoperable. The new board tendered for a new computer based system in the same year and this has been phased in over the last six months, at a capital cost of about £1.5 million. Following the failure of this system on 26 and 27 October and 4 November a decision was made to revert to manual control. The reasons for the failure are being investigated.

Mr. Corbyn: To ask the Secretary of State for Health what is the current condition of the London ambulance service computer; and how many times it has broken down since installation.

Mr. Sackville: The computer-aided dispatch (CAD) system failed on 26 and 27 October. On 4 November the system was malfunctioning and management at the London ambulance service decided to revert to a fully manual system. The computerised system will not be brought back into use until the problems have been solved. My right hon. Friend the Secretary of State has announced today details of the external inquiry set up by the South West Thames regional health authority into these failures.

Mr. Thomason: To ask the Secretary of State for Health if she will give details of the external inquiry into the London ambulance service which she announced on 28 October.

Mrs. Virginia Bottomley: I have today agreed the terms of reference and composition of the independent inquiry which the South West Thames regional health authority has set up on the London ambulance service. The inquiry's terms of reference are:

"To examine the operation of the computer-aided dispatch system, including:

the circumstances surrounding its failures on Monday and Tuesday 26 and 27 October and Wednesday 4 November

the process of its procurement

and to identify the lessons to be learned for the operation and management of the London Ambulance Service against the imperatives of delivering the service at the required standard, demonstrating good working relationships and restoring public confidence."

The inquiry will be led by Mr. Don Page, chief executive of the South Yorkshire ambulance service. Other members of the inquiry will be Mr. Paul Williams, a specialist in computer systems from BDO Binder Hamlyn

Chartered Accountants, and Mr. Dennis Boyd, formerly chief conciliation officer of the Arbitration, Conciliation Advisory Service (ACAS).

The inquiry has been asked to report to the South West Thames RHA by February 1993 at the latest and to highlight any action, where necessary, for the chief executive of the London ambulance service. The report will be published. The chairman of the RHA will report to me on its outcomes, and will keep me informed of progress in improving service performance during the inquiry period and beyond.

Smoking

Mr. Peter Bottomley: To ask the Secretary of State for Health what estimate she has made of the comparative influences of (a) price, (b) parental smoking and (c) tobacco advertising bans on smoking habits.

Dr. Mawhinney: It is difficult to estimate the comparative influences of the different factors on smoking habits. The influence of each factor taken alone can be summarised as follows:

(a) increases in price have been shown to decrease consumption, though by a proportionately smaller amount. For example, a 10 per cent. increase in price will lead to a 3 per cent. to 6 per cent. decrease in consumption;

(b) children whose parents both smoke are two and a half times more likely to smoke than children whose parents do not smoke;

(c) the Department of Health discussion document, titled "Effect of tobacco advertising on tobacco consumption", looks at the effect of tobacco advertising bans. It was published on 28 October and comments have been invited on it over the next three months.

Mr. Peter Bottomley: To ask the Secretary of State for Health (1) if she will list for each study examined by her Department of the effect of advertising on tobacco consumption the final year of data, the level of participation in smoking in that year, the present level and the estimated reduction associated with a ban; and what conclusions she has drawn on the effect if these results were replicated in the United Kingdom in the same years;

(2) if she will list the information available to her of the year and the level of smoking when an advertising ban was introduced and the levels of smoking in this country in each of those years.

Dr. Mawhinney: The figures for those countries studied in the Department of Health discussion document "Effect of tobacco advertising on tobacco consumption" are as follows:

Per cent.

Country	Final year of data before ban	Smoking level in relevant country in that year	Present level in relevant country	Consumption reduction associated with ban	United Kingdom prevalence in year of ban
Norway	1975	43	34	9	45 (1974)
Finland	1977	29	(1985) 26	7	42 (1976)
Canada	1989	¹	32	4	32 (1988)
New Zealand	1990	28	26	5.6	30 (1990)

¹ Indicates that a prevalence figure is not available.

It is unclear whether the effect of a tobacco advertising ban in these countries would be replicated in the United Kingdom, given the fall in smoking in the United Kingdom from 45 per cent. of the population in 1974 to 30 per cent. in 1990 and the existing controls on tobacco advertising through the voluntary agreement on tobacco advertising and promotion.

Mr. Peter Bottomley: To ask the Secretary of State for Health if she will estimate the contribution of the major factors in the reduction of smoking in the past 20 years in this country and in other countries since the introduction of a ban on advertising.

Dr. Mawhinney: It is difficult to estimate the contribution of the major factors in reducing smoking in

this country. Perhaps the most important factor has been the increasing social unacceptability of smoking, with increased awareness of the health risks of smoking and passive smoking. It is also difficult to estimate the contribution of various factors in other countries. The Department of Health report, titled "Effect of tobacco advertising on tobacco consumption", reviews the evidence on the effect of advertising bans in other countries.

Tinnitus

Mr. Beggs: To ask the Secretary of State for Health how much money has been allocated for research into the cause and treatment of tinnitus in each of the past three years in the United Kingdom.

Mr. Sackville: It is not possible to identify centrally funds allocated for research into the treatment of tinnitus.

The main agency through which the Government support medical and clinical research in the United Kingdom is the Medical Research Council (MRC) which receives its grant-in-aid from the Office of Science and Technology under the Chancellor of the Duchy of Lancaster.

In 1991-92, the latest year for which figures are available, the MRC spent £129,000 on research into tinnitus. The council also supports a substantial volume of basic research into hearing which may have relevance to the understanding and treatment of this condition.

Influenza

Mr. Batiste: To ask the Secretary of State for Health what monitoring her Department is undertaking as to the effectiveness of family health authorities, general medical practitioners, regional medical officers and district medical officers in implementing the advice of the Chief Medical Officer of 21 September on the immunisation of groups at risk from influenza; and if she will make a statement as to the results.

Mr. Sackville: The Department monitors the national uptake of influenza vaccine each year. In addition, the public health laboratory service's communicable disease surveillance centre monitors laboratory reports of influenza (and other respiratory tract infections) and provides regular information for health authorities through its communicable disease review. It is for directors of public health to decide what data to collect locally in assessing health care needs, including protection against influenza. Steps have been taken in the past two years to ensure that both doctors and patients are aware of the benefits of influenza immunisation for those patients who are at increased risk of complications should they develop influenza. This includes the production of guidance leaflets for general practitioners, revised guidance in the 1992 edition of "Immunisation against Infectious Disease" and a patient information poster for GPs' surgeries.

Hydatid Disease

Mr. Jonathan Evans: To ask the Secretary of State for Health what is the current incidence of hydatid disease.

Mr. Sackville: Interim figures from the public health laboratory service indicate an average of five cases a year presumed to be acquired in England and Wales for the last

three years (1988 to 1990) of its current survey into hydatid disease. This figure may be subject to amendment by the time the survey is completed at the end of this year. The final results of the survey will be published.

Health Services, Coventry

Mr. Geoffrey Robinson: To ask the Secretary of State for Health what was the number of people each year having NHS eye tests in the Coventry health authority area in each year since 1987.

Dr. Mawhinney: Figures are not collected in respect of district health authorities. The numbers of national health service sight tests paid for in each financial year by the Coventry family health services authority are shown in the table.

<i>Year</i>	<i>Number of sight tests</i>
1987-88	75,470
1988-89	86,610
¹ 1989-90	31,500
1990-91	28,200
1991-92	36,440

¹ From April 1989, national health service sight tests were restricted to certain groups in the population. The sight tests paid for in 1989-90 include some carried out prior to that date. The remainder paid for in 1989-90 do not represent a full year under the new system, because of the delay in payments. The figure for 1989-90 is not, therefore, directly comparable with 1990-91.

Tomlinson Report

Ms. Hoey: To ask the Secretary of State for Health when she will formally consult on the establishment of a new St. Thomas's and Guy's national health service trust; and when she expects to announce her decision on whether to grant the new hospital trust status.

Dr. Mawhinney: Consultation on Sir Bernard Tomlinson's recommendation that the St. Thomas's and Guy's and Lewisham national health service trusts should be dissolved, and a new St. Thomas's and Guy's national health service trust, and a Lewisham national health service trust established will be managed by South East Thames regional health authority, and should begin shortly. It will last for three months. My right hon. Friend the Secretary of State will announce her decision only when that consultation is completed.

Deaths (Unemployed)

Mr. Llew Smith: To ask the Secretary of State for Health what information her Department has on the number of unemployed people who (a) committed suicide, (b) died prematurely or (c) suffered clinical depression in each year since 1979.

Mr. Sackville: The information requested is not available centrally.

Family Breakdown

Mr. Alfred Morris: To ask the Secretary of State for Health if she will outline her policy on the prevention of family breakdown.

Mr. Yeo: The Department's view is that the family is the best place for a child to be brought up. This is reflected

in the provisions of the Children Act 1989 which, among other requirements, gives local authorities the duty to provide such services for children in need to enable them to be brought up by their family, wherever possible.

NHS Trusts

Mr. Nigel Evans: To ask the Secretary of State for Health what proportion of hospitals in the north-west of England are, or have applied to be, self-governing trusts.

Dr. Mawhinney: Fifty three per cent. of hospital and community service revenue allocated to North Western regional health authority is currently spent in national health service trusts, or units which have applied to be trusts. From April 1993 there will be eight NHS trusts in the region which provide acute hospital services. The proportion this represents depends on the management configuration of the remaining units, but it is likely that the vast majority will apply to become operational trusts from April 1994.

Mr. Nigel Evans: To ask the Secretary of State for Health what forecasts she has made for the future ratio in the number of self-governing national health service trust hospitals to district health authority hospitals; and if she will make a statement.

Dr. Mawhinney: It is for local managers and clinicians to decide whether to seek NHS trust status, but we anticipate that all providers of NHS services—hospitals, community units and ambulance services—will become NHS trusts. From next April the proportion of hospital and community services revenue spent in NHS trusts will be 63 per cent. or more, depending on the decisions on outstanding third wave trust applications and deferred London teaching hospital trusts. We expect the vast majority of the remaining directly managed units to apply to become NHS trusts in April 1994.

Kidney Dialysis

Mr. Blunkett: To ask the Secretary of State for Health how many (a) males and (b) females (i) under and (ii) over the age of 55 years per million of the population, were accepted for kidney dialysis treatment in England in 1990 and 1991.

Mr. Sackville: The information is not collected centrally in the form requested. The number of new patients accepted for dialysis was 3,491 (60.7 per million population) in 1990 and 3,430 (59.7 pmp) in 1991.

No national health service patient is barred from treatment on the grounds of age. Whether any patient should receive a particular form of treatment is a matter for clinical decision by the doctor in charge of the patient.

Prescription Charges

Mr. Blunkett: To ask the Secretary of State for Health what additional revenue would be raised in the financial year 1993-94 by an increase in prescription charges of (a) 1 per cent., (b) 5 per cent., (c) 10 per cent. and (d) 15 per cent.; and if she will make a statement.

Dr. Mawhinney: The requested information is in the table.

Estimated additional revenue in 1993-94 from prescription charge set at 1 per cent., 5 per cent., 10 per cent., and 15 per cent. higher than current charge

Percentage increase in prescription charge	Prescription charge (£)	Increased revenue (£ million)
1	3.79	2
5	3.94	9
10	4.13	18
15	4.31	26

Regional Health Authorities (Property)

Mr. Blunkett: To ask the Secretary of State for Health how much, at current prices, was raised from the disposal of property in each regional health authority covering London in each year since 1990; what is the current projection of funds to be raised by such disposals in 1993-94; and if she will make a statement.

Mr. Sackville: The information is shown in the table:

RHA	£ million			
	1990-91	1991-92	¹ 1992-93	¹ 1993-94
North West Thames	22	33	25	50
North East Thames	16	22	21	8
South East Thames	9	11	20	25
South West Thames	17	20	10-15	10

¹RHA projection.

All money realised from the sale of surplus NHS property is used for the benefit of patients.

Health Care, London

Mr. Blunkett: To ask the Secretary of State for Health if she will list the members of the implementation group for Tomlinson on the future of London's health care; and if she will make a statement.

Dr. Mawhinney: The chairman of the London implementation group will be Mr. Tim Chessells. I shall announce the other members in due course.

Halcion

Mr. Blunkett: To ask the Secretary of State for Health if she will list the members of the Medicines Commission which dealt with the appeal against the ban on Halcion.

Dr. Mawhinney: The appeal was heard by the Medicines Commission on 15 May 1992. The following members were present:

Professor Dame Rosalinde Hurley, DBE, LLB, MD DUniv (Surrey), FRCPATH (Chairman). Professor of Microbiology, Royal Postgraduate Medical School's Institute of Obstetrics and Gynaecology, University of London.

Professor I. D. Aitken, PhD, BVMS, MRCVS. Director of Animal Diseases Research Association, Moredun Research Institute, Edinburgh.

M. J. S. Butler Esq, BSc (Econ). Lecturer in Politics and Public Administration, University of Kent, Former Chairman of Canterbury and Thanet CHC and Former Chairman of Association of CHC's for England and Wales.

Dr. M. G. Carter, MB ChB BPharm, DipPharmMed, FRPharmS, MCPP, FFPM, Director, ICI Pharmaceuticals.

Professor J. G. Collee, CBE, MD, FRCPath, FRCP(E), Emeritus Professor of Medical Microbiology, University of Edinburgh.

Professor A. D. Dayan, DM, FRCP, FRCPath, FIBiol, FFPM, Professor of Toxicology, St. Bartholomew's Hospital, London.

Dr. Sheila Gore, MA, PhD, Senior Statistician, Medical Research Council Biostatistics Unit, Cambridge.

Miss Joan Greenleaf, OBE, BA, FRPharmS, Former Regional Pharmaceutical Officer, North East Thames RHA.

B. D. Hoskin, Esq, BVMS, MRCVS, Consultant to Veterinary Pharmaceutical Industry.

Professor C. N. Hudson, MChir, FRCS, FRCOG, FRACOG, Professor of Obstetrics and Gynaecology, St. Bartholomew's Hospital, London.

Professor T. M. Jones, BPharm, PhD, FRPharmS, CChem, FRSC, MCPP, Director, Research, Development and Medical, Wellcome Foundation Ltd.

Professor D. G. McDevitt, MD, DSc, FRCP, FRCPed, FRCPI, FFPM, Professor of Clinical Pharmacology, University of Dundee.

Dr. P. Pietroni, FRCGP, MRCP, DCH, General Medical Practitioner, London, Senior Lecturer in General Practice, Regent's College, Regent's Park, London.

Professor John Rhodes, MD, FRCOP, BSc, ChB, General Physician, University Hospital of Wales.

Professor P. S. J. Spencer, BPharm, PhD (London) DSc (Wales) CBIol, FIBiol, MCPP, FRPharmS, Professor of Pharmacology and Head of School, Welsh School of Pharmacy, University of Wales, Cardiff.

Professor D. W. Vere, MD, FRCP, FFPM (Hon), Professor of Therapeutics, University of London.

H. Cowan Wilson Esq, BVMS, FRCVS, General Veterinary Practitioner, Fife.

Mr. Blunkett: To ask the Secretary of State for Health if she will list the members of the committee dealing with the current appeal against the ban on Halcion.

Dr. Mawhinney: The members are:

Ms. Diana Cotton QC, Barrister (*Chairman*).
Professor J. A. Edwardson, Director of the MRC, Neurological and Pathology Unit, Newcastle-upon-Tyne.
Ms. Ann Foster, Director of the Scottish Consumer Council.
Professor David Marsden, Professor of Neurology at London University.
Professor Charles George, Professor of Clinical Pharmacology at Southampton University.

Lancashire Ambulance Authority

Mr. Gordon Prentice: To ask the Secretary of State for Health if she will list the emergency response times for the Lancashire ambulance authority for each year since 1986 showing the percentage answered within eight minutes and within 20 minutes.

Mr. Sackville: Information on response times has only been collected centrally since 1987-88.

The available figures are shown in the table:

Year	Total emergency calls	Percentage where response within 8 minutes	Percentage where response within 20 minutes
1987-88	70,509	70.7	99.1
1988-89	70,561	71.2	99.2
1989-90	35,630	70.9	99.1
1990-91	73,640	67.1	98.9
1991-92 ¹	71,414	67.3	98.9

¹ Provisional figures.

National Health Service Expenditure

Mr. Nigel Evans: To ask the Secretary of State for Health how much was being spent on average on the National Health Service per week for each family in 1979 and at the latest available date.

Mr. Sackville: Total spending on the Health Service in the United Kingdom per week, for a family of four persons, was £11.05 in 1978-79 (£31.28 at 1992-93 prices). Total spending in 1992-93 is planned to be £47.56, a real terms increase of 52 per cent.

Mental Handicap

Ms. Lynne: To ask the Secretary of State for Health if she will publish for each district health authority for the current financial year (a) the planned capital and revenue expenditure on mental handicap—learning disabilities—services and (b) the value of assets relevant to mental handicap—learning disabilities—services listed in capital asset registers.

Mr. Yeo: This information is not held centrally.

ENVIRONMENT

Council Housing

Mr. Nigel Evans: To ask the Secretary of State for the Environment whether he proposes to extend compulsory competitive tendering to the management of council housing.

Mr. Baldry: Yes.

Mr. Dafis: To ask the Secretary of State for the Environment if he will make it his policy to offer financial incentives to local authorities that encourage tenant participation in planning, management and service delivery of housing provisions.

Mr. Baldry: The extent and effectiveness with which local authorities encourage appropriate tenant participation is taken into account in housing investment programme (HIP) allocations. The best authorities already deploy significant resources to encourage greater tenant participation, and the HIP process will offer clear incentives to others to follow their lead. My Department also makes grants in support of tenant management under s16, Housing and Planning Act 1986.

Housing Allocations

Mr. Dafis: To ask the Secretary of State for the Environment if he will issue to local authorities guidelines on equal opportunities and anti-discrimination within housing allocation policies and homelessness service provision.

Mr. Baldry: My Department issued to local authorities in August last year a revised code of guidance on the homelessness legislation. On 30 January 1991 the Commission for Racial Equality, with the Secretary of State's backing, issued a code of practice giving practical guidance on eliminating racial discrimination and promoting equal opportunities in the field of rented housing.

Housing Condition Survey

Mr. Hain: To ask the Secretary of State for the Environment if he will publish details of the 1991 housing condition survey at an early date; and if he will make a statement.

Mr. Baldry: The results of the 1991 English house condition survey will be published as soon as the analysis of the data is completed.

Staffordshire County Council

Ms. Walley: To ask the Secretary of State for the Environment if he will meet a delegation from Staffordshire county council to discuss the forthcoming standard spending assessment settlement.

Mr. Robin Squire: We would be pleased to receive a delegation as soon as proposals for the 1993-94 revenue support grant settlement have been announced.

Local Housing Companies

Mr. Dafis: To ask the Secretary of State for the Environment if he will make it his policy to permit local authorities to set up local housing companies to stimulate new investment.

Mr. Baldry: Part V of the Local Government and Housing Act 1989, which sets out the statutory framework for local authority interests in companies, will be brought into force shortly. Any housing companies set up by local authorities would have to operate within this framework.

Housing Associations

Mr. Dafis: To ask the Secretary of State for the Environment if he will review current arrangements for the administration of the housing association grant and the monitoring of financial and service delivery performances by housing associations.

Mr. Baldry: These matters are the statutory responsibility of the Housing Corporation, in respect of housing associations registered in England, and Housing for Wales (Tai Cymru) in respect of associations registered in Wales.

Mr. Dafis: To ask the Secretary of State for the Environment if he will issue guidelines to housing associations in Wales on tenant participation within housing association management committees.

Mr. Gwilym Jones: I have been asked to reply. Housing for Wales is on course to issue guidelines to housing associations in Wales during this financial year.

Intentionality

Mr. Dafis: To ask the Secretary of State for the Environment if he will seek the repeal of the intentionality clause in the Housing Act 1985.

Mr. Baldry: The Government have no immediate plans for further legislative change, although the operation of the homelessness legislation is monitored closely.

Mortgage Debts

Mr. Dafis: To ask the Secretary of State for the Environment if he will make it his policy to provide funding for local authorities and housing associations to enable them to take on mortgage debts.

Mr. Baldry: No.

Homelessness

Mr. Dafis: To ask the Secretary of State for the Environment if he will seek to amend section III of the Housing Act 1985 to cover all homeless people.

Mr. Baldry: The Government have no immediate plans for further legislative change, although the operation of the homelessness legislation is monitored closely.

Compulsory Competitive Tendering

Mr. Battle: To ask the Secretary of State for the Environment how many tenants' organisations and individual tenants have responded to the consultation paper, "Competing for Quality in Housing"; and how many of these were in favour of compulsory competitive tendering.

Mr. Baldry: A total of 104 tenants' organisations and six individual tenants have responded to the Government's consultation paper, "Competing for Quality in Housing". A wide range of views were expressed on various aspects of the Government's proposals, including a substantial body of opinion that competitive tendering would lead to an improvement in standards.

Private Rented Housing

Mr. Dafis: To ask the Secretary of State for the Environment (1) if he will introduce a new improvement grants system for landlords in the private rented sector; (2) if he will introduce a new improvement grants system for landlords in the private rental sector.

Mr. Baldry: No, but we continue to keep the grant system, including provisions relating to private landlords, under review.

Housing Needs

Mr. Dafis: To ask the Secretary of State for the Environment if he will list the localised housing needs assessment research initiative currently carried out in England; and how much funding is provided by his Department to each initiative.

Mr. Baldry: Information about local housing needs assessments is not held centrally; funding is a matter for individual local authorities.

Subsidised Housing

Mr. Barry Field: To ask the Secretary of State for the Environment what is the average subsidy from central and local government expenditure, including housing benefit

for (a) council tenants, (b) housing association tenants and (c) private sector tenants, for the last period for which records are available.

Mr. Baldry: The information is as follows:

Council tenants: £970 in 1990-91, comprising rent rebates and the housing element in housing revenue account subsidy.

Housing association tenants: £550 in 1990 (estimate from a sample survey; rent allowances only).

Private sector tenants: £320 in 1990 (estimate from sample survey; rent allowances arranged over all rent-paying tenants).

Building Research Establishment

Mrs. Roe: To ask the Secretary of State for the Environment if he will publish key performance targets for the Building Research Establishment.

Mr. Baldry: The Building Research Establishment has been an executive agency since 2 April 1990. The following key targets have been set for 1992-93:

- £19,000 net contribution to the Exchequer
- income to cover full economic costs on a trading basis
- non-Exchequer component to be 9.4 per cent, of total net income from research commissions
- a new unit cost ratio for research and technical consultancy commissions to be applied. (The ratio is a measure of the agency's overhead costs.)

OVERSEAS DEVELOPMENT AGENCY

Aid Target

Mr. Beggs: To ask the Secretary of State for Foreign and Commonwealth Affairs when he expects the 0.7 per cent. gross national product target level for overseas aid to developing countries to be reached by Her Majesty's Government.

Mr. Lennox-Boyd: We have not set down a timetable for reaching the 0.7 per cent. target. Progress towards the target will depend upon our economic circumstances and on other priorities for public expenditure.

Aid Funds

Ms. Glenda Jackson: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy, when allocating aid funds for eastern Europe, that resources will not be diverted from development projects in sub-Saharan Africa.

Mr. Lennox-Boyd [*holding answer 5 November 1992*]: The provision of economic assistance to central and eastern Europe and the former Soviet Union has not been at the expense of aid to developing countries. Future allocations of resources will be made in the light of the outcome of the public expenditure survey which cannot be anticipated.

Timber

Mr. Meacher: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the effect on the work of the Overseas Development Administration on the phasing out of the use of timber from unsustainable sources.

Mr. Lennox-Boyd: The most effective way of ensuring that timber comes from sustainable sources is to promote

and support the sustainable management of forests. This is a central objective of many ODA-supported forestry projects. Individual projects are monitored to assess their performance against objectives. We are also supporting the International Tropical Timber Organisation, which promotes sustainable forest management with the objective of the production of internationally traded timber being from sustainable sources by the year 2000.

Development Budget

Mr. Simon Hughes: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will estimate what percentage of the overseas development budget is spent in (a) each of the EC nations' currencies and (b) United States dollars; and if he will make a statement on the impact on his Department's budget of the change in the value of the pound sterling in relation to those currencies.

Mr. Lennox-Boyd: About 0.04 per cent. of the gross external assistance programme is spent in other EC nations' currencies and about 3.6 per cent. in United States dollars. Given that exchange rates move up as well as down during the course of a year, it is not possible to say what impact recent changes in the value of sterling will have.

Angola

Mr. Wilshire: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the renewed fighting in Angola and on the steps he is able to take to help the international community to arrange a ceasefire.

Mr. Lennox-Boyd: We deplore the renewal of violence in Angola and fully support the efforts of the United Nations special representative there to consolidate the ceasefire arranged by the United Nations Secretary General on the night of 1 November. We continue to work actively to this end in the United Nations and with EC partners and, in Angola, through our ambassador in Luanda.

Aid Funds

Ms. Glenda Jackson: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy that emergency aid should not affect long-term development projects.

Mr. Lennox-Boyd [*holding answer 5 November 1992*]: We provide emergency aid in response to specific humanitarian requirements, with the objective of minimising loss of life. This funding is provided separately from that for long-term development projects, although these sometimes help reduce the damage caused by natural disasters.

Somalia

Mr. Worthington: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 21 October, *Official Report*, column 320, what percentages of the United Kingdom and EC food for Somalia have come from EC food surpluses; and what commodities have been sent.

Mr. Lennox-Boyd [*holding answer 5 November 1992*]: A list of the commodities provided under United Kingdom

food aid to Somalia was given in my reply to the hon. Member for Clydebank and Milngavie (Mr. Worthington) on 29 October—Cols 799-800. Information on commodities provided as EC food aid was contained in the letter sent to the hon. Member by my right hon. and noble Friend the Minister for Overseas Development on 22 September, a copy of which has been placed in the Libraries of the House.

Much of the food aid is provided through grants to NGO's, including the International Committee for the Red Cross, which are themselves responsible for the purchase from the most appropriate source, whether in the EC or elsewhere. The type of food provided for Somalia has not been determined by the availability of particular commodities in surplus in the EC, but rather by the requirements of those affected by the famine. The source of purchase is equally determined by timing, availability of food and transport, and price, rather than by the need to reduce EC surpluses.

No part of United Kingdom food aid for Somalia has come from EC intervention stocks. As to the percentage of EC food aid provided to Somalia from intention, I shall write to the hon. Gentleman when we receive the information which we have requested from the European Commission, but I would not expect it to be a large proportion.

Zaire

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs, what representations have been made to the Government of Zaire on the question of human rights; and if he will make a statement.

Mr. Lennox-Boyd [*holding reply 5 November 1992*]: The European Community and its member states made a joint statement on 10 September noting with satisfaction the election of Prime Minister Tshisekedi by the national conference and the acceptance of his Government by both the conference and the president. This represents a further step towards democracy in Zaire and we wish the Government success in working towards creating a climate which will allow peaceful progress towards free and fair elections and social and economic recovery.

SOCIAL SECURITY

Agencies

Mr. Redmond: To ask the Secretary of State for Social Security if he will list by grade the numbers of staff and their cost for 1991-92 and the estimated figures for 1992-93 for each executive agency for which he is responsible.

Miss Widdecombe: The information for each executive agency of the Department is shown in the tables.

1991-92 Staff numbers and costs

Grade	Benefit agency	Contribution agency	ITSA ¹	Resettlement agency
UG1-6 ²	236	7	24	1
UG7	304	17	91	4
SEO	701	78	301	7
HEO	3,530	356	764	30
LO1/EO	16,545	2,356	1,320	68
LO11/AO	29,749	3,408	840	104
AA	8,803	1,388	302	9
Secretarial support	3,870	60	204	212
Professional	19	0	0	0
Industrials/Others	100	0	1	84
Total	63,857	7,670	3,847	519
Costs £ million	875.547	108.824	76.763	10.388

1992-93 Estimated staff numbers and costs

Grade	Benefit agency	Contribution agency	ITSA ¹	Resettlement agency
UG1-6 ²	300	10	30	1
UG7	271	21	107	4
SEO	655	98	312	9
HEO	3,227	420	874	26
LO1/EO	15,936	2,438	1,393	60
LO11/AO	31,199	3,846	934	83
AA	8,738	1,792	230	7
Secretarial/Support	3,719	102	209	183
Professional	19	0	0	0
Industrials/Others	147	18	2	80
Total	64,211	8,745	4,091	453
Costs £ million	1,009.505	131.036	84.597	9.173

¹ ITSA—denotes Information Technology Services Agency.

² Includes medical staff of equivalent grades.

Notes:

1. Staff numbers quoted refer to full time equivalent permanent staff.

2. Staff numbers for 1991-92 have been calculated by averaging the quarterly staff in post figures.

3. The increase in the Benefits Agency staff numbers UG1-6, in 1992-93 is mainly due to:
 - (a) additional medical staff for the new disability benefits and an increased number of war pension claims; and
 - (b) transfer of medical staff from the Department of Health (regional medical service).
4. Costs relating to overtime, casualties and ERNIC are included.

Furniture Regulations

Ms. Walley: To ask the Secretary of State for Social Security if he will amend the rules for the social fund to take account of the pending regulations relating to second hand foam furniture in order that those entitled to social funds can meet in full the cost of second hand goods compliant with safety standards.

Mr. Scott: No change is required. The amount of awards under the discretionary part of the Social Fund are not specified in the Social Security Contributions and Benefits Act 1992, or in the Secretary of State's directions or in his guidance to social fund officers. The guidance advises social fund officers to accept an amount requested by an applicant if it is within the broad range of prices that would be considered reasonable for an item of serviceable quality.

Income Support

Mr. Bowden: To ask the Secretary of State for Social Security (1) what plans he has to make income support payable by direct credit transfer;

(2) under what circumstances income support can currently be paid direct into a claimant's bank or building society account; and what guidance is available on such direct payments for (a) Benefits Agency staff and (b) individual claimants.

Miss Widdecombe: The administration of Income Support is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. He will write to the hon. Member with such information as is available and a copy will be placed in the Library.

Letter from M. Bichard to Mr. Andrew Bowden, dated 5 November 1992:

As Chief Executive of the Benefits Agency it is my responsibility to answer questions about relevant operational matters. I am therefore replying to the points raised in your recent Parliamentary Questions to the Secretary of State for Social Security asking what plans he has to make Income Support payable by direct credit transfer; under what circumstances Income Support can currently be paid to a bank or building society account; and what guidance is available to both staff and customers.

The Citizen's Charter committed us to making the facility to have benefit paid by Automated Credit Transfer (ACT) as soon as possible. The Benefits Agency also sees the ACT facility as a means of improving service to its customers. ACT is already available for a range of benefits, including Retirement Pensions and Child Benefit. As far as Income Support is concerned the introduction of ACT requires the adaptation of our computer systems, of our claim forms and of our literature. This will take some time, and the introduction of ACT for Income Support is planned for October 1993.

Currently, payment to a bank or building society can be considered where a customer has real difficulties in getting to a Post Office and has no one to act as an agent or appointee. An appointee is someone who is appointed to act on behalf of a customer who is unable to manage his or her own affairs.

All Districts have comprehensive written guidance covering arrangements for customers who may have difficulties, for example someone with health or mobility problems who has no 'carer' or regular visitor; these include

direct payments where a bank or building society agree to the arrangement. The customer is, however, advised that the bank or building society may charge for the service.

In such cases, guidance to customers is provided via detailed correspondence. In addition (and generally) notifications and leaflets issued to customers advise them to contact their local Benefits Agency Office if they require further advice, disagree with a decision or have anything else they wish to raise.

I hope you find this reply helpful. A copy of this reply will appear in the Official Report. Copies are also being placed in the Library.

Cold Weather Payments

Mr. Geoffrey Robinson: To ask the Secretary of State for Social Security how many households in each parliamentary constituency in Coventry qualify for payments under the cold weather payments scheme.

Mr. Scott: The administration of social fund is a matter for Mr. Michael Bichard the chief executive of the Benefits Agency. He will write to the hon. Member with such information as is available and a copy will be placed in the Library.

Letter from M. Bichard to Mr. Geoffrey Robinson, dated 5 November 1992:

As Chief Executive of the Benefits Agency it is my responsibility to answer questions about relevant operational matters. I am therefore replying to the points raised in your recent Parliamentary Question to the Secretary of State for Social Security asking how many households in each Parliamentary constituency in Coventry qualify for payments under the cold weather payments scheme.

The four constituencies in Coventry are all covered by the Agency's Coventry District, which consists of two offices, Coventry East and Coventry West. The boundaries of the constituencies do not correspond with those of the Agency's offices and it is not possible to give a figure for each constituency except at disproportionate cost. However, based on figures for those claiming Income Support in August 1992, it is estimated that 19,700 customers in the Coventry District may qualify for a cold weather payment should the area be triggered.

I hope you find this reply helpful. A copy of this reply will appear in the Official Report. Copies are also being placed in the Library.

Disability Living Allowance

Mr. Austin-Walker: To ask the Secretary of State for Social Security if he will make a statement on the delay in processing the disability living allowance claim of the Woolwich constituent, National Insurance No. LW 263446C about whom the hon. Member for Woolwich wrote to him on 4 September.

Mr. Scott: The administration of disability living allowance is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. He will write to the hon. Member and a copy will be placed in the Library.

Letter from M. Bichard to Mr. J. Austin-Walker dated 5 November 1992:

As Chief Executive of the Benefits Agency, it is my responsibility to answer questions about relevant operational matters. I am therefore replying to the points raised in your recent Parliamentary Question to the Secretary of State for Social Security about the nine months delay in processing the Disability Living Allowance claim of the Woolwich constituent, National Insurance No. LW 263446C.

I should explain that the claim to which you refer has now been considered by an adjudication officer and the decision notified direct to your constituent on 29 October.

I offer my sincere apologies for the delay in dealing with your constituent's claim. My reply to your letter of 4 September to the Minister of State for Social Security and Disabled People explains the position in greater detail.

I hope you find this reply helpful. A copy of this reply will appear in the *Official Report*. Copies are also being placed in the Library.

Social Fund

Mr. Corbyn: To ask the Secretary of State for Social Security how many applications for social fund payments have been made in the Euston district office in each month of the past year; and how many were (a) granted money, (b) offered a loan and (c) refused.

Social fund information—Euston District—October 1991 to September 1992

	<i>Applications</i>	<i>Grant awards</i>	<i>Loan offers</i>	<i>Refusals</i>
October 1991	3,177	183	1,652	984
November 1991	2,681	204	1,346	1,191
December 1991	2,967	239	1,393	1,177
January 1992	3,105	238	1,343	1,274
February 1992	2,677	208	1,177	1,197
March 1992	2,963	240	1,138	1,399
April 1992	2,696	255	1,035	1,368
May 1992	2,605	224	1,029	1,242
June 1992	1,656	140	709	636
July 1992	2,786	152	1,207	1,038
August 1992	2,890	241	1,326	1,184
September 1992	2,923	174	1,074	1,125

September 1992 data is the latest available.

Local Offices

Mr. Corbyn: To ask the Secretary of State for Social Security when his Department's new Finsbury Park local office will be opened; and if he will make a statement on the future of the Highgate DSS local office.

Mr. Burt: The provision of new, and the future of existing, local DSS offices is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. He will write to the hon. Member with such information as is available and a copy will be placed in the Library.

Letter from M. Bichard to Mr. Jeremy Corbyn, dated 5 November 1992:

As Chief Executive of the Benefits Agency, it is my responsibility to answer questions about relevant operational matters. I am therefore replying to the points raised in your recent Parliamentary Question to the Secretary of State for Social Security about the new Finsbury Park local office and the future of the Highgate office.

Finsbury Park

The main work on the new Finsbury Park local office was completed on 23 October 1992. Full completion, following the installation of computer cabling, is expected to be achieved by

Mr. Scott: The administration of the social fund is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. He will write to the hon. Member and a copy will be placed in the Library.

Letter from Mr. Bichard to Mr. Jeremy Corbyn, dated 5 November 1992:

As Chief Executive of the Benefits Agency, it is my responsibility to answer questions about relevant operational matters. I am therefore replying to the points raised in your recent Parliamentary Question to the Secretary of State for Social Security about Social Fund payments in Euston District.

Details of applications to the discretionary part of the Fund, grant awards, loan offers and refusals for discretionary payments at Euston District in each month of the past year are in the Annex attached.

I hope you find this reply helpful. A copy of this reply will appear in the *Official Report*. Copies are also being placed in the Library.

17 November and the intention is to open to the public on 30 November 1992. Until then customers will continue to be served from the existing premises.

Highgate

The search for a new building to rehouse the Highgate office continues and our service will, therefore, remain at Archway Tower for the time being.

I hope you find this reply helpful. A copy of this reply will appear in the *Official Report*. Copies are also being placed in the Library.

Pensioners

Mr. Bowden: To ask the Secretary of State for Social Security what is the proportion of (a) all pensioners, (b) single male pensioners, (c) single female pensioners, (d) pensioner couples, (e) single women aged 75 years or over and (f) single men aged 75 years or over, who are in receipt of an occupational pension on the basis of the most recent family expenditure survey data available; and for each group, what is the mean and median amount received.

Miss Widdecombe: The most recent year for which information is available is 1988. The table sets out the information requested.

Proportion of pensioner units in receipt of an occupational pension 1988

<i>Group</i>	<i>Percentage with an occupational pension (per cent.)</i>	<i>Mean amount of occupational pension for those in receipt (£ per week)</i>	<i>Median amount of occupational pension for those in receipt (£ per week)</i>
Single men aged 65-74	66	42.70	24.90
Single men aged 75 and over	160	147.30	129.60
All single men aged 65 and over	63	44.80	26.40
Single women aged 60-74	53	41.90	25.80
Single women aged 75 and over	39	32.70	18.40
All single women aged 60 and over	46	38.00	21.00

Group	Percentage with an occupational pension (per cent.)	Mean amount of occupational pension for those in receipt (£ per week)	Median amount of occupational pension for those in receipt (£ per week)
Pensioner couples	70	68.00	33.90
All pensioner units	57	54.10	27.20

¹ Based upon a sample of less than 100 cases.

Notes: 1. Estimates are based upon data from "Occupational Pension Schemes 1987", a survey by the Government Actuary (HMSO) and the 1988 Family Expenditure Survey. Pension amounts are at 1988 levels.

2. Pensioner couples are defined as couples in which the husband is over state pension age; pensioner units are defined as pensioner couples or single people over state pension age.

3. Figures in square brackets are based upon a sample of less than 100 cases.

Mr. Bowden: To ask the Secretary of State for Social Security what number and proportion of all pensioners had no income from any source other than from state benefits for each of the last 10 years.

Miss Widdecombe: The table sets out information for the 10 years ending in 1988, the latest year for which information is available.

Year	Percentage of pensioners with no income other than state benefits	Number of pensioners with no income other than state benefits (Thousands)
1979	22	1,500
1980	22	n/a
1981	21	1,400
1982	20	n/a
1983	18	1,250
1984	21	1,450
1985	17	1,200
1986	19	1,300
1987	16	1,150
1988	16	1,150

Notes:

¹ Estimates are based upon data from the 1979-1988 Family Expenditure Surveys.

² Estimates relate to pensioner units. They are defined as single people over state pension age or couples in which the husband is over state pension age.

³ Accurate estimates of the number of pensioner units in 1980 and 1982 with no income from sources other than state benefits could be obtained only at disproportionate cost.

Mr. Bowden: To ask the Secretary of State for Social Security what was the actual weekly amount received by all pensioners as (a) total social security benefits, (b) occupational pensions and (c) savings income for each of the last 10 years; what were the gross and net weekly total figures; and what was the real terms increase over the last 10 years.

Miss Widdecombe: The table sets out information for the 10 years ending in 1988, the latest year for which information is available. Information about average income from earnings is also included as net income must be derived from total gross income.

The average income of pensioner units by source

Year	(£ per week, 1988 prices)						
	State Pension/ Benefit	Occupational Pension	Savings income	Earnings	Total gross income	Tax/NI	Total net income
1979	53.00	13.90	9.50	10.40	86.80	7.20	79.70
1980	53.80	13.80	10.00	9.90	87.50	6.20	81.30
1981	56.50	15.10	12.10	9.20	92.90	7.70	85.20
1982	58.20	15.50	10.60	7.30	91.50	7.10	84.50
1983	61.20	19.00	14.00	8.30	102.50	9.10	93.30
1984	61.20	18.20	12.70	8.20	100.40	8.10	92.30
1985	60.90	21.00	14.50	6.50	102.90	9.10	93.80
1986	63.10	21.70	15.50	7.50	107.80	9.80	98.00
1987	62.10	24.40	21.90	8.30	116.70	11.90	104.80
1988	60.70	27.70	20.00	9.70	118.10	11.70	106.30
Real increase	14 per cent.	99 per cent.	110 per cent.	-6 per cent.	36 per cent.	—	34 per cent.

Notes:

1. Source: Family Expenditure Survey.

2. Component incomes by source are rounded to the nearest 10p.

3. Components may not sum to totals owing to rounding.

4. Percentage increases are calculated using unrounded figures.

5. A pensioner unit is defined as a single person over state pension age or a couple in which the husband is over stage pension age.

Mr. Bowden: To ask the Secretary of State for Social Security how many and what proportion of all pensioners, single pensioners and pensioner couples have total incomes (a) £1, (b) £2, (c) £3, (d) £4 and (e) £5 above income support levels.

Miss Widdecombe: The information requested is in the tables. As this question seeks to establish pensioners'

incomes in relation to income support levels the criteria for assessing pensioner entitlement to income support have been used, i.e. "pensioners" are taken to be those aged 60 or over, and the average income bands exclude income derived from sources which would not be taken into account for income support (eg. housing benefit or attendance allowance).

Number of pensioners whose income for IS purposes is within a banded range of their IS levels

Range	Singles	Couples	Total
£0-£1	75,000	20,000	95,000
£1-£2	65,000	25,000	90,000
£2-£3	65,000	20,000	85,000
£3-£4	60,000	25,000	85,000
£4-£5	80,000	20,000	100,000

Note: Figures have been rounded to the nearest 5,000.

Proportion of pensioners whose income for IS purposes is within a banded range of their IS levels.

Range	Singles (Percentage)	Couples (Percentage)	Total
£0-£1	2	1	1
£1-£2	1	1	1
£2-£3	1	1	1
£3-£4	1	1	1
£4-£5	2	1	1

Notes: Each percentage gives the proportion of the total pensioner caseload for the column.

Percentages have been rounded to the nearest percentage point.

Source: Family Expenditure Surveys 1987-88-89 modelled at 1992-93 prices and benefit levels.

Mr. Bowden: To ask the Secretary of State for Social Security how many and what proportion of pensioners receive income support.

Mr. Burt: I refer the hon. Member to my reply to him on 3 November at col. 152.

Mr. Bowden: To ask the Secretary of State for Social Security what is the latest estimate of the number of pensioners entitled to claim income support and housing benefit who do not do so.

Mr. Burt: We will publish the latest available estimates for take-up of income-related benefits shortly.

Mr. Bowden: To ask the Secretary of State for Social Security what percentage of pensioner households have been dependent on state benefits for at least 75 per cent. of their income in each of the last 10 years.

Miss Widdecombe: The table sets out information for the 10 years ending in 1988, the latest year for which information is available. Data on pensioners' income is not available in household form so it is provided on the basis of pensioner "units".

Percentage of pensioners dependent on state benefits for 75 per cent. of their income

Year	Percentage
1979	62
1980	61
1981	61
1982	59
1983	60
1984	58
1985	58
1986	54
1987	53
1988	53

Notes:

1. Estimates are based upon data from the 1979-1988 Family Expenditure Surveys.

2. Estimates relate to pensioner units. They are defined as single

people over state pension age or couples in which the husband is over state pension age.

European Community

Mr. Cryer: To ask the Secretary of State for Social Security what is the number of civil servants in his Department whose main task is work related wholly or mainly to the European Community.

Miss Widdecombe: [*holding answer 3 November 1992*]: All staff are expected to be able to deal from time to time with the domestic implications of EC legislation or activities. Other than that there are currently 20.5 staff in the Department whose sole or main task is dealing with work directly generated by the European Community or the United Kingdom's current presidency of the Council of Ministers. In addition a number of staff in the Benefits Agency and Contributions Agency are engaged in the payment of benefits to, and collection of national insurance contributions from, people living abroad, including in the European Community.

WALES

Regional Selective Assistance

Mr. Morgan: To ask the Secretary of State for Wales, pursuant to paragraphs 67-8 of Cm. 2074, if he will publish figures of the percentage of regional selective assistance projects which did not start in each of the years 1989, 1990, 1991 and the first half of 1992; and what was the percentage undershoot on the jobs actually achieved compared with the forecast made at the time of regional selective offer for each of the years 1989, 1990, 1991 and the first half of 1992.

Mr. David Hunt: Aggregate information on project start dates is not readily available and could only be obtained at disproportionate cost. As noted in paragraph 66 of Cm. 2074 the Welsh Office departmental report contains information on employment actually achieved by projects which are largely completed.

Welsh Language

Mr. Llwyd: To ask the Secretary of State for Wales, (1) how many staff posts there are within his Department at the present time; and how many of these posts (a) require the speaking of Welsh to be a prerequisite, (b) consider the speaking of Welsh to be desirable and (c) consider linguistic capacity in neutral terms;

(2) how many staff are employed in each section of his Department; and how many staff members in each section speak Welsh;

(3) how many members of staff are currently employed by the Welsh Office on a part-time and full-time basis; how many staff members do not speak the Welsh language; and how many are currently attending Welsh learner courses;

(4) if he will make it his policy to offer paid time-off work to employees wishing to attend courses to learn Welsh.

Mr. David Hunt: There are currently 2,318 permanent staff employed in my Department, of whom 220 are part time. All staff who would like to learn Welsh are strongly encouraged to do so. Training is through courses and the

use of distance learning packages. Paid time off and departmental sponsorship are available. The numbers involved are not held centrally. The general staffing requirement is for there to be adequate numbers of Welsh-speaking staff in all areas to meet the needs of clients. There are currently nine specific posts which require a good working knowledge of Welsh.

Mr. Llwyd: To ask the Secretary of State for Wales what is the total publicity budget of his Department for the latest year for which figures are available; how much of the budget has been designated for publicity literature; and, of that proportion, how much has specifically been spent on Welsh language publicity materials.

Mr. David Hunt: Publicity expenditure in 1992-93 is planned to be about £2,500,000. No designation for publicity literature is possible as the allocation of funds to different media often takes place only as projects develop.

Of the £726,890 spent on publicity materials this year. £153,180 was on Welsh only and £404,382 on bilingual material.

Coal

Mr. Llew Smith: To ask the Secretary of State for Wales if, pursuant to his oral reference to the plan for German coal of 21 October, *Official Report*, columns 526-27, he will place in the Library a copy of the German plan 2005.

Employment figures for Wales by industrial division

¹ SIC(80) Division	June 1979		June 1992	
	Employees (thousands)	Percentage of total employees	Employees (thousands)	Percentage of total employees
Metal manufacture and chemicals	(2)	10.5	44	4.6
Metal goods, engineering and vehicles	(3)	12.1	98	10.3
Other manufacturing (including Foods)	(4)	8.9	79	8.3
Total manufacturing	(2-4)	31.5	220	23.1
Energy and water supply (including coal, coke and oil)	(1)	6.2	22	2.3

¹ Standard Industrial Classification (Revised) 1980.

Source: Employment Department.

Maneot Community Hospital

Mr. Barry Jones: To ask the Secretary of State for Wales if he will make a statement on the future use of the former Maneot community hospital.

Mr. Gwilym Jones: The future use of this former hospital will be a matter for the prospective Gofal Cymuned Clwydian community care NHS trust. The trust application included the hospital site as part of the estate which will form the NHS trust. The trust intends to use the former hospital as its administrative headquarters. This proposal was welcomed by the health authority and it is expected that the NHS trust staff will occupy the site by the end of the year.

Pit Closures

Mr. Barry Jones: To ask the Secretary of State for Wales what assessment he has made of the impact of pit closures in east Clwyd upon communities; and if he will make a statement.

Mr. David Hunt: A copy of Kohlekonzept 2005 has been placed in the Library of the House today.

River Dee

Mr. Barry Jones: To ask the Secretary of State for Wales (1) if he will institute a review of the River Dee fishing byelaws as they impinge upon those River Dee fishermen who fish for fluke, mullet, cockles and shrimps; and if he will make a statement;

(2) if he will institute an investigation into the connection between the safety of River Dee fishermen in 14 ft boats and the implementation of the fishing byelaws; and if he will make a statement.

Mr. David Hunt: I will write to the hon. Gentleman.

Manufacturing

Mr. Barry Jones: To ask the Secretary of State for Wales what percentage of the work force in Wales was engaged in manufacturing in (a) 1979 and (b) at the latest date.

Mr. David Hunt: In June 1979, 30.5 per cent. of employees were employed in manufacturing. In June 1992 the figure was 23.1 per cent.

The following table gives a breakdown of manufacturing employment for these two years with, for comparison, employment figures for energy and water supply industries.

Mr. David Hunt: As the hon. Gentleman will know, a review of the proposed closure of 21 pits is under way and a moratorium has been announced on these proposals whilst the review takes place. My Department is in discussions with the North East Wales TEC, the Welsh Development Agency and local authorities on measures to promote economic diversification and employment opportunities in the area.

Service Industries

Mr. Barry Jones: To ask the Secretary of State for Wales what percentage of the work force in Wales is engaged in the service industries for 1979 and at the latest date.

Mr. David Hunt: In June 1979, 55.4 per cent. of employees were employed in the service industries. In June 1992 the figure was 68.6 per cent.

The table gives a breakdown of employment in the service sector for these two years.

Employment figures for Wales by industrial division

Employment figures for Wales by industrial division					
SIC(80) ¹ Division	June 1979		June 1992		
	Employees (thousands)	Percentage of total employees	Employees (thousands)	Percentage of total employees	
Wholesale distribution, hotels, catering, repairs and rental distribution	(6)	170	16.5	183	19.2
Transport and communication	(7)	58	5.6	49	5.2
Banking, insurance and finance	(8)	44	4.3	89	9.4
Other services	(9)	299	28.9	332	34.9
Total Services	(6-9)	572	55.4	653	68.6

Source: Employment Department.

¹ Standard Industrial Classification (Revised) 1980.

Traumatic Brain Injury

Mr. Llwyd: To ask the Secretary of State for Wales what provision there is in each county of Wales for patients suffering traumatic brain injury.

Mr. Gwilym Jones: This information is not held centrally. Health authorities are responsible for assessing and meeting the local needs of their residents guided by the principles and targets of the protocol for investment in health gain on injuries, issued by the Department in June 1992.

Investment, Clwyd

Mr. Richards: To ask the Secretary of State for Wales what measures are being taken to attract outside investment into Clwyd.

Mr. David Hunt: Considerable success continues to be achieved in attracting inward investment to Clwyd, and 47 projects were recorded in 1991-92 promising over 2,300 jobs. A wide range of measures will continue to be taken to build on that success including the provision of industrial sites and infrastructure, and targeted approaches to companies. A conference on EC research and development has been arranged to take place in Clwyd shortly which will help to focus interest in the county from other parts of Europe.

River Pollution

Mr. Richards: To ask the Secretary of State for Wales (1) what measures are being taken to tackle the industrial pollution of Welsh rivers;

(2) what measures are being undertaken to tackle the agricultural pollution of Welsh rivers.

Mr. Gwilym Jones: Information on the many initiatives being taken to tackle industrial and agricultural pollution of rivers is contained in the Government's White Paper on the Environment "This Common Inheritance" and in the first and second year reports thereon, copies of which are available in the Library of the House.

Homelessness

Mr. Hain: To ask the Secretary of State for Wales (1) how many people were accepted by local authorities in Wales as homeless between (a) January and September 1992 and (b) January and September 1991;

(2) how many homeless inquiries were made to local authorities in Wales under part III of the Housing Act 1985 between (a) January and September 1992 and (b) January and September 1991.

Mr. Gwilym Jones: Homelessness data for the period January to September 1992 are not yet available. Data for January to September 1991 are given in the following table:

Incidence of homelessness, January to September 1991

	Number of inquiries	Number of persons in households accepted as homeless
Aberconwy	137	85
Alyn and Deeside	204	419
Arfon	35	78
Blaenau Gwent	374	645
Brecknock	90	265
Cardiff	2,146	3,080
Carmarthen	62	147
Ceredigion	115	270
Colwyn	52	127
Cynon Valley	474	899
Delyn	876	530
Dinefwr	181	321
Dwyfor	60	93
Glyndwr	33	65
Islwyn	291	288
Llanelli	120	302
Lliw Valley	127	201
Meirionnydd	142	204
Merthyr Tydfil	132	291
Monmouth	196	317
Montgomeryshire	135	209
Ncath	400	487
Newport	830	2,198
Ogwr	751	1,137
Port Talbot (Afan)	357	263
Preseli Pembrokeshire	115	199
Radnorshire	16	37
Rhondda	111	271
Rhuddlan	114	145
Rhymney Valley	726	318
South Pembrokeshire	74	159
Swansea	1,094	1,393
Taff-Ely	505	542
Torfaen	916	809
Vale of Glamorgan	810	947
Wrexham Maelor	776	558
Ynys Môn	72	93
Wales	13,649	18,392

Source: Welsh Office local authority returns.

Mr. Dafis: To ask the Secretary of State for Wales (1) if he will issue guidelines to local authorities limiting the use of bed-and-breakfast hostels to house homeless people;

(2) if he will issue guidelines to local authorities clearly defining their obligations on the treatment of homeless applicants.

Mr. Gwilym Jones: These matters are covered in the "Homelessness Code of Guidance for Local Authorities", a revised edition of which was issued by the Department on 15 August 1991.

Mr. Dafis: To ask the Secretary of State for Wales how many local authorities in Wales currently operate a 24-hour homelessness service.

Mr. Gwilym Jones: This information is not held centrally.

Tenants

Mr. Dafis: To ask the Secretary of State for Wales how many local authorities in Wales have approved tenants' relations officers to assist private rented sector tenants.

Mr. Gwilym Jones: This information is not available centrally.

Mr. Dafis: To ask the Secretary of State for Wales how many new lets have been created in the private rented sector in Wales in each year since 1985; and how many such lets have been short term in each of those years.

Mr. Gwilym Jones: The information is not available centrally.

Rural Housing

Mr. Dafis: To ask the Secretary of State for Wales if he will make it his policy to (a) increase the proportion of housing association grants currently allocated to rural areas and (b) allow a decrease in the borrowing requirements of rural housing associations.

Mr. Gwilym Jones: I have no plans to do so.

Mr. Dafis: To ask the Secretary of State for Wales if he will make it his policy that improvement grants for rural houses in Wales are issued only on the basis of a commitment that the property will stay in local ownership for a predetermined period and that the property is the only and principal home of the applicant.

Mr. Gwilym Jones: Home renovation grants are available where the property is the only or main home of the applicant. We have no plans to change these rules.

Council House Sales

Mr. Dafis: To ask the Secretary of State for Wales how much money has been recouped from the sale of council houses in Wales in each of the last five years; and how much of this money has been redistributed for social housing provision.

Mr. Gwilym Jones: In-year receipts from the sale of council houses are set out in the following table. Information on the spending of usable receipts by authorities on social housing provision is not held centrally.

In-year receipts from the sale of council houses¹

	£ million
1987-88	69.2
1988-89	118.9
1989-90	148.0
1990-91	76.0
1991-92	54.6

¹ Including the repayment of principal on local authority mortgages on council house sales.

Housing Research

Mr. Dafis: To ask the Secretary of State for Wales if he will list the localised housing needs assessment research programmes currently operational in Wales; and how much funding is provided by his Department to each programme.

Mr. Gwilym Jones: Information about these assessments is not held centrally; funding is a matter for individual local authorities.

Evictions

Mr. Dafis: To ask the Secretary of State for Wales how many private rented sector tenant evictions have occurred in Wales in each year since 1985.

Mr. Gwilym Jones: The information is not available centrally.

Rented Housing

Mr. Dafis: To ask the Secretary of State for Wales if he will make it his policy to develop an integrated strategy for rented housing in Wales.

Mr. Gwilym Jones: I look to local housing authorities to develop integrated strategies across all housing tenures.

Mr. Dafis: To ask the Secretary of State for Wales what was the total number of homes available in Wales for rent in (a) the public sector and (b) the private sector in each of the last 10 years.

Mr. Gwilym Jones: The total number of homes available for rent are shown in table 1.3 of "Welsh Housing Statistics No. 12 1992" a copy of which is in the Library of the House.

Housing Associations

Mr. Dafis: To ask the Secretary of State for Wales if he will make it his policy to make funds available to local authorities and housing associations to provide sell-and-stay schemes to low-income home-owners living in poor condition houses.

Mr. Gwilym Jones: Our renovation grant system is designed to assist low-income home owners without a change of tenure.

Mr. Dafis: To ask the Secretary of State for Wales if he will make it his policy to instruct Tai Cymru to encourage housing associations in Wales to purchase properties from the existing housing stock in addition to encouraging new building.

Mr. Gwilym Jones: Housing for Wales already encourages housing associations to purchase from existing stock where it is appropriate and cost effective to do so.

Mr. Dafis: To ask the Secretary of State for Wales if he will establish statutory minimum space and quality standards for housing association housing provision in Wales.

Mr. Gwilym Jones: It is for Housing for Wales to decide upon appropriate space and quality standards for housing association provision in Wales.

Independent Housing Advice

Mr. Dafis: To ask the Secretary of State for Wales what funding is currently granted by his Department to independent housing advice services in Wales; and what plans he has to increase the level of funding.

Mr. Gwilym Jones: The Department has allocated £377,877 in grant aid to independent housing advice services in Wales for the 1992-93 financial year.

In addition, the Department has allocated a total of £556,036 to the Home Improvement Agency initiative in Wales which provides help and advice on home improvements, maintenance and repairs to elderly and disabled home occupiers.

Applications for future funding will be considered in the light of available resources.

Health Authorities

Mr. Morgan: To ask the Secretary of State for Wales (1) if he will list the attributes he regards as essential for candidates for the post of membership of health authorities in Wales;

(2) what inquiries he made under the procedure specified in paragraph 52 of Questions of Procedure for Ministers before making the appointments to Welsh health authorities announced on 30 October.

Mr. David Hunt: Appointments are made on the basis of aptitude and merit. Individual candidates possess a range of attributes and I select those with the most appropriate combination of abilities and experience for each particular post. In doing so I take account of such matters as expertise in running organisations, previous committee experience, and the extent of other public service work that candidates have undertaken.

Prior to the introduction of the national health service and Community Care Act 1990 there was a statutory obligation to consult various specified organisations about health authority appointments. No such requirements presently exists, and I did not publicly invite nominations. It is however, my continued intention to comply with paragraph 52 and accordingly I welcome any suggestions from the opposition parties and others as to names of those who might be considered suitable for appointment.

Grant-maintained Schools

Mrs. Ann Taylor: To ask the Secretary of State for Wales how many (a) primary and (b) secondary schools in each local education authority in Wales are eligible to apply for grant-maintained status; how many in each case have held ballots under section 61 of the Education Reform Act 1988; how many ballots in each case resulted in votes to seek grant-maintained status, and how many of these have been the subject of section 12 or 13 reorganisation proposals; how many ballots in each case resulted in votes against seeking grant-maintained status and how many of these have been subject to section 12 or 13 notices; and what are the totals in each category.

Sir Wyn Roberts: All primary and secondary schools in Wales are eligible to apply to become grant maintained

schools. Details of the number per authority can be found in table 1.02 of Welsh Office publication "Statistics of Education in Wales: Schools No. 5, 1991", a copy of which is in the Library of the House.

To date, four primary schools and 10 secondary schools have balloted on whether to proceed with an application to the Secretary of State for grant maintained status. All the primary schools and six of the secondary school ballots resulted in a majority in favour of applying for grant maintained status. Of these, two of the primary schools and three of the secondary schools were the subject of section 12 or 13 reorganisation proposals. None of the secondary schools where the vote was against applying for grant maintained status, was the subject of section 12 or 13 notices.

Mrs. Ann Taylor: To ask the Secretary of State for Wales in how many ballots in Wales under section 61 of the Education Reform Act 1988, where a simple majority of parents voted in favour of seeking grant-maintained status, the proportion of such parents was (a) above 69 per cent., (b) between 60 and 69 per cent., (c) between 50 and 59 per cent., (d) between 40 and 49 per cent., (e) between 30 and 39 per cent. and (f) below 30 per cent. of the number of parents eligible to vote.

Sir Wyn Roberts: The information is as follows:

	Per cent.
i. above 69	2
ii. between 60 and 69	3
iii. between 50 and 59	3
iv. between 40 and 49	1
v. between 30 and 39	nil
vi. below 30	1

Mrs. Ann Taylor: To ask the Secretary of State for Wales how many ballots, in Wales, on grant-maintained status have resulted in participation rates (a) above 79 per cent., (b) between 70 and 79 per cent., (c) between 60 and 69 per cent., (d) between 50 and 59 per cent. and (e) below 50 per cent.

Sir Wyn Roberts: The information is as follows:

	Per cent.
i. Above 79	3
ii. Between 70 and 79	4
iii. Between 60 and 69	5
iv. Between 50 and 59	2
v. Below 50	Nil

Mental Handicap

Ms. Lynne: To ask the Secretary of State for Wales if he will publish for each district health authority for the current financial year (a) the planned capital and revenue expenditure on mental handicap (learning disabilities) services and (b) the value of assets relevant to mental handicap (learning disabilities) services listed in capital asset registers.

Mr. Gwilym Jones: The information requested is not held centrally.

Clinical Scientific Services

Mr. Alan Williams: To ask the Secretary of State for Wales how many audiology scientists are employed in Wales; and how many are employed within each health authority.

Mr. Gwilym Jones: Complete information is only available centrally on the total number of clinical scientists in post. Breakdowns of these figures into detailed occupation category are not considered reliable.

Singleton Hospital

Mr. Alan Williams: To ask the Secretary of State for Wales, pursuant to his answer of 23 October, *Official Report*, column 388, if he will list the 19 representations in support of trust status for Singleton hospital.

Mr. Gwilym Jones: It is not my right hon. Friend's policy to publish, or otherwise publicly identify, the individual representations that he has received as a result of public consultations on NHS trust applications.

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