



**CAYMAN ISLANDS  
LEGISLATIVE ASSEMBLY**

**OFFICIAL HANSARD REPORT  
ELECTRONIC VERSION**

**2013/14 SESSION**

**21 November 2013**

*Eighth Sitting of the Third Meeting*

(Throne Speech and Budget Meeting)

*(pages 347–380)*

**Hon Juliana O'Connor-Connolly, JP, MLA  
Speaker**

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PRESENT WERE:

**SPEAKER**

Hon. Juliana Y O'Connor-Connolly, JP  
Speaker of the Legislative Assembly

**MINISTERS OF THE CABINET**

Hon Alden McLaughlin, MBE, JP, MLA	<i>The Premier</i> , Minister of Home and Community Affairs
Hon Moses I Kirkconnell, JP, MLA	<i>Deputy Premier</i> , Minister of District Administration, Tourism and Transport
Hon D Kurt Tibbetts, OBE, JP, MLA	Minister of Planning, Lands, Agriculture, Housing and Infrastructure
Hon Osbourne V Bodden, MLA	Minister of Health, Sports, Youth and Culture
Hon Marco S Archer, MLA	Minister of Finance and Economic Development
Hon G Wayne Panton, MLA	Financial Services, Commerce and Environment
Hon Tara A Rivers, MLA	Minister of Education, Employment and Gender Affairs

**EX OFFICIO MEMBERS OF THE CABINET**

Hon Jennifer Ahearn	Temporary Deputy Governor, ex officio Member responsible for the Civil Service
Hon Samuel Bulgin, QC	Attorney General, ex officio Member responsible for Legal Affairs

**ELECTED MEMBERS**

**GOVERNMENT BACKBENCHERS**

Mr Roy McTaggart, MLA	Second Elected Member for George Town
Mr Winston C Connolly, Jr, MLA	Fifth Elected Member for George Town
Mr Joseph X Hew, MLA	Sixth Elected Member for George Town
Mr Alva H Suckoo, MLA	Fourth Elected Member for Bodden Town

**OPPOSITION MEMBERS**

Hon. W. McKeever Bush, OBE, JP, MLA	<i>Leader of the Opposition</i> , First Elected Member for West Bay
Mr Bernie A Bush, MLA	Third Elected Member for West Bay
Capt A Eugene Ebanks, JP, MLA	Fourth Elected Member for West Bay

**INDEPENDENT MEMBERS**

Mr D Ezzard Miller, JP, MLA	Elected Member for North Side
Mr V Arden McLean, JP, MLA	Elected Member for East End

**OFFICIAL HANSARD REPORT**  
**THIRD MEETING OF THE 2013/14 SESSION**  
**THURSDAY**  
**21 NOVEMBER 2013**  
**10:52 AM**  
*Eighth sitting*

*[Hon. Juliana O'Connor-Connolly, Speaker, presiding]*

**The Speaker:** I will now invite the Elected Member for East End to grace us with prayers.

**PRAYERS**

**Mr. V. Arden McLean, Elected Member for East End:** Let us pray.

*Almighty God, from whom all wisdom and power are derived: We beseech Thee so to direct and prosper the deliberations of the Legislative Assembly now assembled, that all things may be ordered upon the best and surest foundations for the glory of Thy Name and for the safety, honour and welfare of the people of these Islands.*

*Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.*

Let us say The Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

*The Lord bless us and keep us. The Lord make His face shine upon us and be gracious unto us. The Lord lift up the light of His countenance upon us and give us peace, now and always. Amen.*

**The Speaker:** Please be seated.  
Proceedings are resumed.

**READING BY THE HONOURABLE  
SPEAKER OF MESSAGES AND  
ANNOUNCEMENTS**

**The Speaker:** I have received no apologies this morning and no notice of any other statements.

**PRESENTATION OF PAPERS  
AND OF REPORTS**

**MEDIUM TERM FISCAL STRATEGY: 2013–2017**

**The Speaker:** Honourable Minister of Finance and Economic Development.

**Hon. Marco S. Archer, Minister of Finance and Economic Development:** Thank you, Madam Speaker.

On behalf of the Government I beg to lay on the Table of this honourable House the Medium Term Fiscal Strategy of the Cayman Islands Government for the fiscal years ending 30 June 2014 [*sic*] to 30 June 2017.

**The Speaker:** So ordered.

Does the Honourable Minister wish to speak thereto?

**Hon. Marco S. Archer:** Thank you, Madam Speaker.  
A slight correction, that should be the Medium Term Fiscal Strategy of the Cayman Islands Government for the fiscal years ending 30 June 2013 to 30 June 2017.

**The Speaker:** Thank you.

Again, it is so ordered.

**Hon. Marco S. Archer:** Madam Speaker, the Government's Medium Term Fiscal Strategy [MTFS] 2013 to 2017, which has just been tabled, sets out the Government's medium term fiscal parameters and related strategies for the four financial years 2013/14, 2014/15, 2015/16 and 2016/17. The parameters therein allow the Government to comply with the fiscal responsibility requirements of the Public Management and Finance Law (2012 Revision) [PMFL], by the required deadline of 30 June 2016. The parameters will lay the foundation for the budget planning in those coming years.

The MTFS was approved by the Foreign and Commonwealth Office on 22 August 2013, a mere week after being submitted for consideration. This quick turnaround speaks to the soundness and credibility of the plan and affords us a new level of certainty in Government's financial affairs over the medium

term. The data and forecast information shown in the MTFS were based on 31 July 2013 actual financial results of the Government and decisions made as at that date.

During the ensuing three months the Government produced a substantive 2013/14 Budget and considered the impacts of more recent economic and fiscal performance. Those deliberations and considerations resulted in the Strategic Policy Statement [SPS], which is also being tabled today. The SPS accords with the Medium Term Fiscal Strategy since it is an extension of the MTFS. However, information outlined in the SPS has the benefit of actual data and Government decisions as at the 30 October 2013.

Madam Speaker, the fiscal strategies of the Government over the next three fiscal years, ending 30 June 2017, will be broadly based around five themes: 1) lowering operating expenditures; 2) reducing debt; 3) improving cash balances; 4) stabilising revenue growth; 5) minimising public sector capital spending.

With respect to lowering operating expenditures, Madam Speaker, using the fiscal years 2012/13 as the base year for comparative purposes, over the 2013/14 and 2014/15 fiscal years, the Government proposes to cut a total of \$22.5 million, or 4 per cent, in annual operating expenditures. Thereafter, from 2015/16, the Government plans that any increase to operating expenditure will be less than 1 per cent each year.

As such, total operating expenditures are forecast to be approximately \$532 million in 2014/15; \$536.7 million in 2015/16; and \$540.2 million in 2016/17. This initial aggressive reduction strategy to managing expenses provides the Government the opportunity to attain a higher level of savings early on in its strategy. By significantly increasing cash reserves to appropriate levels as mandated by the PMFL and reducing our debt obligations, Government will attain financial independence within a few years.

With respect to reducing debt, Madam Speaker, the Government remains adamant on reducing public sector debt over the next three financial years, by: 1) continuing to make principal payments on existing amortizing loans; 2) retiring at least US\$10 million in bonds before 2015/16; and 3) minimising or eliminating future operating overdrafts.

The Government will also explore opportunities to obtain more favourable interest rates on its existing loan portfolio through refinancing options.

With respect to improved cash balances, the Government's four-year plan shows a forecast cash balance of approximately \$340.6 million by the compliance deadline of 30 June 2016. This should be achieved through stable revenues along with moderate reductions in operating and capital expenditures. The Government will also introduce policies to improve the performance of its 25 Statutory Authorities

and Government Owned Companies in order to accrue greater benefits from their performance.

With respect to stabilised revenue growth, Madam Speaker, apart from the non-inflationary fee to be introduced with respect to licensing and registration of hedge fund directors, which is scheduled to take effect in the current 2013/14 financial year, the Government does not intend to introduce any new or unproven measures of material value.

With respect to minimal public sector capital spending, Madam Speaker, apart from the \$22 million per annum in capital injection over the medium term to meet various existing loan repayment obligations of statutory authorities and government owned companies, the Government proposes to restrict capital spending in all other areas to \$25 million per annum for the next two fiscal years ending 30 June 2016.

This amount is expected to cover capital expansion programmes mandated by the new Constitution, road maintenance and upgrades, completion of ongoing projects and replacement or purchase of plant and equipment for service delivery in the public sector. This restricted capital spending is to enable the Government to have the best opportunity to meet the cash levels required under the PMFL by the 2015/16 deadline.

Finally, Madam Speaker, although there is no legal obligation for the Government to have tabled the MTFS document, the Government concluded that its significance warranted tabling in this Legislative Assembly. This MTFS provides a foundation for the country's future. It changes the way Government conducts its affairs by focusing more on longer term decision making and planning. By setting fiscally prudent targets to be met each year, the MTFS assures a certain level of certainty during the budget process and highlights Government's continued pledge of transparency and prudence for the way forward.

Thank you, Madam Speaker.

### STRATEGIC POLICY STATEMENT FOR THE 2014/15 FINANCIAL YEAR

**The Speaker:** Honourable Minister of Finance and Economic Development.

**Hon. Marco S. Archer:** Thank you, Madam Speaker.

On behalf of the Government, I beg to lay on the Table of this honourable House, the Strategic Policy Statement for the 2014/15 Financial Year.

**The Speaker:** So ordered.

Does the honourable Minister of Finance wish to speak to it?

**Hon. Marco S. Archer:** Yes. Thank you, Madam Speaker.

Madam Speaker, the Government's 2014/15 Strategic Policy Statement (SPS), which has just been

tabled, outlines the Government's medium-term fiscal plans, policy priorities and broad strategic outcomes. It also establishes the Government's financial targets for the next three financial years (that being 2014/15; 2015/16; and 2016/17), which will form the basis of the budget planning process for these years.

The Government's medium-term plans call for a fiscal plan centered on prudent fiscal management, private sector economic growth, an educated work-ready populace, and the development of modern infrastructure. In addition, with respect to new initiatives, the Government is planning to make improvements to the financial management regime by: 1) making amendments to the Public Management and Finance Law; 2) change Government's financial year; and 3) introduce multi-year budgeting.

Madam Speaker, the challenges of the global financial crisis and the great recession are ongoing. Fragile European economies and slow economic recovery in the US and other emerging markets continue to prevent a full and sustained recovery of the world's economy. However, despite the uncertainty in international indicators, Cayman's economic outlook remains relatively favourable, albeit heavily dependent on private sector investments.

Consequently, the Economics and Statistics Office is forecasting moderate economic expansion over the next three financial years. Real Gross Domestic Product (GDP) is expected to grow steadily from 1.7 per cent in 2014/15, to 1.9 per cent in 2015/16, and then increase to 2.4 per cent in 2016/17.

Construction will remain the primary facilitator of growth. Recently announced projects such as the redevelopment of the Owen Roberts International Airport Terminal; a modern cruise ship berthing facility; and the development of new hotels in Grand Cayman, are expected to substantially contribute towards GDP growth in the medium term by stimulating demand for labour and other goods and services in various sectors such as wholesale and retail, finance and insurance, and real estate.

In particular, the Cayman Health City, which is at an advanced stage of completion, will serve to diversify other tourism products and encourage and complement planned development and further diversification on the eastern side of Grand Cayman while providing jobs and business opportunities for our local community.

This boost in domestic demand for labour and other goods and services will be reflected in the inflation outlook. As a result of forthcoming construction projects and other local services linked to these projects, inflation is forecasted to be 2.3 per cent in 2014/15. Thereafter, inflation is expected to inch up to 2.5 per cent for fiscal years 2015/16 and 2016/17, provided there are no spikes in international oil prices, US interest rates do not rise rapidly, and inflation in the USA remains within the normal range of 2 per cent to 3 per cent.

Additionally, Madam Speaker, because of expected improvements in the local economy, the unemployment rate is expected to fall to 5.7 per cent in 2014/15, and continue declining to 5.2 per cent in 2015/16 and 4.7 per cent in 2016/17.

For the financial year 2014/15, the deficit for the current account of the balance of payments is expected to improve to 18.9 per cent of GDP. However, with the impending construction projects poised to accelerate the growth in imports, fiscal years 2015/16 and 2016/17 will see rising current account to GDP ratios of 19.2 per cent and 19.3 per cent respectively over the period.

Madam Speaker, during the 2013/14 Budget, the Cabinet established 12 Broad Outcomes which it intends to achieve over the medium term. The specific intervention measures that will be undertaken in order to achieve these Broad Outcomes are summarised in this SPS. In summary, the Government's medium term plan will focus on the following:

**Strategy 1: Prudent Fiscal Management:** As you may recall from my Budget Address, prudence is the modus operandi of this Government. Madam Speaker, this SPS reaffirms our commitment to fiscal prudence, and sets out a sustainable path towards achieving compliance with the Framework for Fiscal Responsibility [FFR], as set out in the Public Management and Finance Law [PMFL]. More importantly, this SPS complies with the fiscal parameters established in the Medium Term Fiscal Strategy (just tabled in this House), 2013–2017, which was approved by the Foreign and Commonwealth Office in August 2013.

Over the next three financial years, efforts will be concentrated on reducing operating expenditure, paying down debt, and building up cash reserves. Our efforts will be pursued in tandem with managing risk effectively, improving value for money, and delivering accountability and good governance in all public sector operations. I should stress, Madam Speaker, that the total of the individual Ministry, Portfolio and Office allocations will adhere exactly to the macro limits stipulated in this SPS.

**Strategy 2: Facilitate Private Sector Growth:** With respect to private sector growth, the role of small and medium-sized business in our country's recovery is becoming increasingly important. The Government recognises and encourages these small businesses, and, where possible, will work to remove the bureaucratic hurdles which impede their success because the cost of complying with excessive government regulation is a greater problem for small businesses than for larger ones.

To this end, training programmes and revisions to the trade and business licensing processes are a few of the initiatives which Government supports in an effort to improve the competitiveness of our small businesses.

Strategy 3: Educate and Prepare our Workforce: Madam Speaker, our goals cannot be achieved, nor our economy transformed and diversified without strengthening human capacity. As such, the Government's long term strategic plan must be to develop the best-educated, best-trained, and best-skilled workers to ensure that our workforce has the skills necessary for the jobs of today and tomorrow. Government's new skills training strategy will coordinate private sector apprenticeship programs for scholarship recipients as well as vocational training opportunities which have both educational and developmental components to serve the needs of various industries.

Strategy 4: Develop and Modernise our Infrastructure: Madam Speaker, the fourth element of the Government's fiscal strategy is to continue modernizing our infrastructure. Infrastructure investment is crucial to the process of economic development and growth. By leveraging private sector resources to meet public needs, we will see the development of the following five major infrastructure projects necessary to enable our country to compete and succeed on the global stage: 1) the cruise berthing facility; 2) the Owen Roberts International Airport enhancement; 3) the revitalisation of Central George Town; 4) a solid waste management facility; and 5) an expanded road network.

Madam Speaker, I will now move on to highlight the financial forecasts which are contained in the SPS document.

Revenue Forecasts: With respect to revenue forecasts, Madam Speaker, I have said it before and I will say it again: the Government does not plan to introduce any new major revenue measures during the next three financial years. However, there may be some revisions to fees for existing services during this period to adequately reflect the cost of delivering the service. Therefore, Madam Speaker, as the economy grows the SPS forecasts that the Government will earn approximately \$655.3 million in 2014/15; \$669.0 million in 2015/16 and \$676.9 million in 2016/17.

Operating Expenditure: In tandem with revenue collection, Madam Speaker, the Government is focused on achieving sustainable reductions to public sector expenditure without sacrificing the effective delivery of much needed public services. Our fundamental responsibility as a Government is to ensure that every dollar is well spent, and that all available resources are streamlined to best serve our people. We are adamant that by replacing waste and abuse in Government, with transparency and accountability and efficiency, our country will realise great savings in the medium and long term.

Therefore, operating expenses are forecast to be \$531.8 million in 2014/15; \$529.9 million in 2015/16; and \$528.3 million in 2016/17. For 2014/15, this level of operating expenditure represents a 2.3 per cent reduction from the approved 2013/14 budget,

while still within the \$532 million limit established in the Medium Term Fiscal Strategy.

As a contingency measure, the Government will seek to retain its minimal operating overdraft of \$15.0 million. However, the Government plans to manage its financial affairs in 2014/15 so that utilisation of such overdraft facility will not be required.

Madam Speaker, while we believe there are further opportunities available to reduce Personnel Costs, our commitment to credible fiscal planning places a higher degree of reliance on savings from areas such as supplies and consumables, purchase of outputs from non-government output suppliers and the purchase of outputs from statutory authorities and government owned companies.

Consequently, the Government is seeking to restructure the financial affairs of Statutory Authorities and Government Owned Companies (SAGC) by mandating that comprehensive reviews of their operations be undertaken with credible and sustainable changes implemented thereafter. The goal is to improve the financial performance of the SAGC and make them less reliant on funding and subsidies from central Government.

Turning now to the Principles of Responsible Financial Management: Madam Speaker, in order to comply with all six Principles of Responsible Financial Management as set out in the Public Management and Finance Law by the mandatory 2015/16 deadline, this SPS is forecasting the following levels of compliance for the key Principles over that financial period:

Operating Surplus: The FFR requires that the Government maintain a positive Operating Surplus. Over the next three years, the Government is forecast to remain in compliance with this requirement. Operating Surplus is forecast to continuously increase from \$123.5 million in 2014/15, to \$139.0 million in 2015/16 and \$148.7 million in 2016/17.

Debt Servicing Ratio: The repayment of debt is a critical component of the Government's fiscal strategy which is focused on:

1. No new borrowings, and this includes Statutory Authorities and Government Owned Companies;
2. The repayment of existing debt; and
3. Where possible, the refinancing of non-amortising debt into amortising debt instruments.

The FFR requires that the Entire Public Sector debt service costs not be greater than 10 per cent of core Government Revenues. In 2014/15, forecasts show that the Government will be non-compliant with this requirement, since the Debt Service ratio is expected to be 16.1 per cent of core Government revenues. This is primarily a result of a one-off transaction to refinance a non-amortising debt obligation which matures in 2014/15.

In addition, during the 2014/15 fiscal year, the Government plans to set aside some \$9.1 million of cash into a sinking fund to enable payments in future years for the retirement of a 2003 Bond that matures in April 2018. By putting the cash into the sinking fund in 2014/15 it increases the Debt Service Ratio in that year, but not in the year in which the actual debt repayment will occur.

By fiscal year 2015/16 and fiscal year 2016/17, the Government is forecast to be in compliance with the 10% ratio requirement, as the debt service ratio is forecast to be approximately 9.9 per cent and 9.6 per cent respectively.

**Net Debt Ratio:** The FFR requires that the Government not allow a Net Debt balance greater than 80 per cent of core Government's Operating Revenues. The Government is forecast to be in full compliance with this requirement over the next three years, with the Net Debt Ratio forecast to be 51.4 per cent in 2014/15; 31.0 per cent in 2015/16; and 12.1 per cent in 2016/17. This trend places Government well below the required limit, and proves that Government's overall debt strategy is consistent, focuses on debt reduction, and does not call for any new borrowings over the forecast period.

**Cash Reserves:** The FFR requires that the Government have liquid cash reserves of not less than 90 days of estimated executive expenses. This ratio is calculated at the point in the financial year when Government's cash reserves are expected to be at their lowest. Presently, that point is in December of each year, which allows for a more robust measure of cash reserves.

Over the forecast period, cash reserves are expected to be \$60.3 million (or 41 days) in 2014/15; increasing to \$141.5 million (or 96.5 days) in 2015/16; and then be \$238.7 million (or 163.2 days) by 2016/17. As such, compliance with this ratio is expected in 2015/16 and 2016/17.

**Capital Investment:** Madam Speaker, the Government's capital investment plans over the forecast period, is designed to fit within the fiscal parameters of the Framework for Fiscal Responsibility set out in the Public Management and Finance Law. Because the Government has committed to no additional borrowing over the next three financial years, any monies available for capital expenditure will be restricted to cash generated from Operating Surpluses.

Over the SPS forecast period, planned capital investments will be restricted to \$47.0 million per year for 2014/15 and 2015/16, and then rise to \$57.0 million in 2016/17. These investments will be directed to support debt servicing obligations in Statutory Authorities and Government Owned Companies and for the development of key pieces of infrastructure for core Government itself.

**Planned Initiatives:** Madam Speaker, because the SPS, which has just been tabled, encompasses a three-year period, I wish to take this opportunity to

advise this House and the people of the Cayman Islands of some important initiatives the Government will consider during this three-year period.

Firstly, the Government intends to introduce multi-year budgeting and change the start of its financial year from the present 1 July, to 1 January. This change will take effect from 1 January 2016, which is the earliest that it can be implemented given the required legislative changes to the PMFL and the need to have a new budget in place by 1 July 2014.

Therefore, Madam Speaker, the Government is signaling its intentions to produce multi-year budgets starting 1 July 2014 for 18 months ending 31 December 2015 and for 24 months from 1 January 2016 to 31 December 2017. However, as we have not yet amended the PMFL, this SPS complies with the current law.

There are several advantages that will accrue to Government by making such a change, Madam Speaker. Revenue from financial-services related sources is received between January and March of each year and is a significant portion of Government's total annual revenue. Having a financial year that starts on 1 January would be beneficial since it will allow the Government an opportunity to more easily change its expenditure plans if there is a fall-off in financial services revenue.

Comparing that scenario, or plan, we can see that whereas with the present 1 July commencement of the fiscal year, the Government could be nine months into its financial year before it becomes known that there may be a significant fall-off in revenue, which would not allow sufficient time for any remedial action to be taken with respect to expenditure reductions. Additionally, the transition to a fiscal year beginning 1 January will avoid the present situation of Government's statistics being presented on both a calendar year and fiscal year basis. Such a change will add clarity to an important area of publicly-disseminated information.

Multi-year Budgeting, Madam Speaker, is another important initiative that the Government intends to effect with approval for such budgets at a meeting of the Legislative Assembly and Finance Committee. As the term suggests, multi-year budgeting involves the preparation of budgets that encompasses more than one fiscal year.

The Government will review the multi-year budgets systematically and as frequently as required – with the objective of ensuring that such budgets are still appropriate to the fiscal conditions existing at the time. Such an approach means that Government must take a medium-term outlook of its plans and policies, which should be far superior to the “start-stop” process that typifies the preparation of single-year budgets.

**Review of Public Management and Finance Law:** Madam Speaker, the Government is earnest in its stated intention to perform a comprehensive review

of the Public Management and Finance Law that determines the financial affairs of Government and its Public Authorities and companies. Madam Speaker, recognising that this House has men and women of varied expertise, and given our commitment to utilise those people who best meet the needs of the Government at the time, a Committee, to be led by Councillor McTaggart and inclusive of private sector representation will shortly begin a review of the existing PMFL.

**Public Authorities legislation:** The legislation to effect greater clarity and uniformity in the governance arrangements to be exercised by Government with respect to Statutory Authorities and Government owned Companies, is being drafted and will be brought to this Parliament before the end of the current fiscal year.

In conclusion, Madam Speaker, this SPS highlights the Government's overarching commitment to managing public finances in order to achieve compliance with all six Principles of the FFR by the agreed 30 June 2016. It outlines a credible medium-term path to fiscal sustainability, a path which positions us towards strong economic growth, decreasing unemployment, contained inflation, and a prudent fiscal position.

Thank you, Madam Speaker.

## **STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET**

**The Speaker:** There are no Statements this morning.

## **GOVERNMENT BUSINESS**

### **MOTIONS**

#### **GOVERNMENT MOTION NO. 2—2013/14— STRATEGIC POLICY STATEMENT FOR THE 2014/15 FINANCIAL YEAR**

**The Speaker:** I recognise the Honourable Premier, Minister of Home and Community Affairs.

**The Premier, Hon. Alden McLaughlin:** Thank you, Madam Speaker and good morning.

I beg to move Government Motion No. 2—2013/14—Strategic Policy Statement for the 2014/15 Financial Year.

**The Speaker:** The question is: Be it now therefore resolved that the Legislative Assembly approves the policy priorities, aggregate financial targets and financial allocations set out in the 2014/15 Strategic Policy Statement as the indicative parameters on which the 2014/15 Budget is to be formulated.

The Motion is now open for debate.

Honourable Premier.

**The Premier, Hon. Alden McLaughlin:** Thank you, Madam Speaker.

The Motion I just moved seeks the approval of this honourable Legislative Assembly for the Government's 2014/15 Strategic Policy Statement, just delivered by the Honourable Minister of Finance and Economic Development, and which outlines this Administration's key fiscal policy priorities and broad strategic outcomes in our efforts to get the Cayman Islands back on course. It also establishes the Government's targets for the next three financial years, 2014/15, 2015/16, 2016/17, which will create the framework for developing the budgets for these years.

The Strategic Policy Statement is a high level document with the primary purpose being to inform the public of Government's broad budgetary policies. The SPS is, therefore, by design, not as detailed as the annual Budget. It is intended to be used for medium-term planning purposes, whereas the annual budget documents are far more detailed in nature.

Once again, Madam Speaker, I commend the Minister of Finance and his team for working diligently to produce not just the Strategic Policy Statement, but a plan that will see central government debt reduced by \$80 million from \$548.9 million by the end of fiscal year 2013/14 to \$468.6 million by the end of fiscal year 2016/17.

The Government's forecast financial position is robust and improving. Government's net worth is expected to improve from \$1.4 billion in 2013/14 to \$1.7 billion in 2016/17 as a result of health operating surpluses ranging from \$100.3 million in 2013/14 to \$148.7 million in 2016/17. We expect to close the 2013/14 fiscal year with a cash position of \$163 million and to improve that to \$420.7 million by the end of fiscal year 2016/17.

So, Madam Speaker, Government is moving from strength to strength. Cash reserves are improving, debt is being paid down, net worth is improving and monies are being set aside for unforeseen circumstances.

Madam Speaker, I have learned over the course of time that great achievements don't come easy. In my experience they are usually born out of great sacrifice. Through this plan the Progressive's Government does not guarantee huge grants to everyone under the sun, nor does it promise lavish programmes. Instead it promises a stable future through hard work, perseverance and short-term sacrifices. This plan outlines our commitment to good governance, fiscal prudence and effective management of public finances.

Over the course of the last few months, much of the Government's time and, indeed, the time of this honourable House, has been spent on budgeting matters such as the pre-appropriations for the first four months of the 2013 financial year, supplementary ap-



propriation bills for the 2009/10, 2010/11, 2011/12, and 2012/13 financial years, and the Appropriation Bill for the 2012/13 financial year, which was approved on 23 October 2013. The strategic Policy Statement is another necessary financial management responsibility tool of the Government, and represents the beginning of the budget process for the coming 2014/15 financial year, which starts on 1 July 2014.

Madam Speaker, as a result of all of the things I have just outlined, there is a sense of what I call “budget fatigue” around, of having to deal with these various fiscal issues and deadlines over the course of the past not quite six months. A disproportionate percentage of the Government’s time and resources has had to be devoted to budget preparation. The necessity to do this is a result of a number of factors:

- A Public Management and Finance Law, which the Government believes, experience has proven, to be unnecessarily complex and procedurally demanding for a government the size of the Cayman Islands.
- The proximity of the elections held at the end of May and the start of the Government’s fiscal year on 1 July.
- A budget process which is based on a 12-month cycle.

Madam Speaker, as the Minister of Finance has explained in some detail, the Government will seek to improve the budgeting process by making necessary amendments to the Public Management and Finance Law, changing the Government’s financial year from 1 July through 30 June, to 1 January through 31 December, and introducing multi-year budgeting.

With respect to the proposed revision of the Public Management and Finance Law, which was also announced by the Minister of Finance, I am pleased that Councillor Roy McTaggart—a hugely experienced accountant and former managing partner of one of the big four accounting firms in Cayman—has agreed to chair this committee. We hope to be able to announce the committee members and its terms of reference shortly. For years, we, in this country have been, bemoaning the range of issues which plague our present budget process. This Administration is committed to fixing the problem.

The Honourable Minister of Finance and Economic Development outlined Government’s fiscal strategies and plans when he spoke to the Strategic Policy Statement. So I am not going to elaborate much further on these. But I wish to highlight again the main points of Government’s fiscal strategy, that is, prudent fiscal management, facilitation of private sector economic growth, an educated work-ready populace, and development and modernisation of Cayman’s infrastructure. These four components of our fiscal strategy complement each other. The Pro-

gressives campaigned on a promise to restore trust and confidence in the Government and the Cayman Islands as a whole. This document, in a large way, does just that, showing our continued commitment to transparent and prudent fiscal management with a key objective of complying with all principles of the Framework for Fiscal Responsibility.

Madam Speaker, our fiscal strategy will result in Government improving its net financial position, supporting economic growth, creating employment opportunities for our people, and building infrastructure to serve the next generation of Caymanians.

Madam Speaker, the SPS sets out the Government’s broad outcomes which were developed after much consultation and deliberation. These are the policy priorities for this Administration and will guide our work over this term. These broad outcomes are:

- A strong, thriving and increasingly diverse economy.
- A work-ready and globally competitive workforce.
- A more secure community.
- A more efficient, accessible and affordable public service.
- Modern, smart infrastructure.
- A fit and healthy population.
- A centre of excellence in education.
- A culture of good governance.
- Sustainable development in Cayman Brac and Little Cayman with sensitivity to these islands’ unique characteristics.
- Conservation of our biological diversity and ecologically sustainable development.
- A robust agriculture sector suited to the needs and resources of the country.
- Equity and justice in a society that values the contribution of all.

These broad outcomes are wide-ranging and are designed to use all of the resources, institutions and mechanisms of Government to tackle the major issues and problems facing the Cayman Islands.

I would like to take a few moments to expound on what is intended under each of the broad outcomes.

A strong, thriving and increasingly diverse economy: The economic health of the Cayman Islands drives all aspects of Caymanian society. It affects the amount of revenue the Government can earn, as well as the level of service that it provides, the number of people with jobs, crime levels, and residents’ overall quality of life. We have identified the economy as a central and core policy priority and will seek to ensure sustained economic activity for the long term by building on what Cayman has, while encouraging additional private sector growth.

Some of the more specific activities to be pursued under this broad outcome are:

- Working with tourism industry partners to grow the number of both cruise and stay over visitors in a smart, sustainable way.
- Implement a project to achieve the revitalisation of George Town to better support both tourism and general business activities.
- Support small businesses by reducing taxes and bureaucratic hurdles while also providing entrepreneurs with access to training on how to successfully manage their businesses.
- Improving the systems and processes for Trade and Business licensing.
- Encouraging and enhancing the financial services sector.
- Encouraging new types of business activities, such as medical tourism, sports tourism and medical device testing.
- Continuing to support responsible, large-scale developments, such as the various DART projects and Dr. Shetty's Health City.

A work-ready and globally competitive workforce: As the economy of the Cayman Islands continues to develop, it is important that we ensure that our workforce has the skills employers demand. This is crucial to the health of the Cayman economy, as well as keeping unemployment as low as possible. We remain committed to improving the lives of Caymanians through education, training, and creating a work-ready and globally competitive workforce. To do this the public education system will strengthen its curriculum offerings to enhance the work-readiness of its students. The Government will also work more closely with private sector employers to provide the necessary internships and job placements for students receiving scholarship support to ensure that they have adequate practical experience and exposure to complement their academic activities.

Policy development under this broad outcome will concentrate on the following:

- Developing a welfare-to-work programme that supports training of unemployed people who are able to work but receive welfare assistance.
- Encouraging Caymanians to become entrepreneurs.
- Enhancing the National Workforce Development Agency to better assist unemployed Caymanians with finding jobs.
- Working with available resources to support and enhance existing vocational training opportunities in the public and private sector;
- Improving coordination between the Education Council and businesses community enhance job placement and apprenticeships for scholarship recipients.
- Improving education curriculum to enhance career guidance for students.

The third broad outcome is a more secure community: Crime is a scourge in any country or community and affects the quality of life across the board. This Government recognises the many benefits that can come from improving the levels of safety and security in our communities and will develop and implement policies that will:

- Support the Royal Cayman Islands Police Service and encourage a more pro-active method of policing.
- Improve prison infrastructure and programmes for offenders.
- Strengthen border control by enhancing the capabilities of our Immigration Department and Her Majesty's Custom Department.
- Review the Cayman Islands Fire Service to improve their efficiency and effectiveness and support the work of Hazard Management and Public Safety Communications units.

The fourth broad outcome is a more efficient, accessible and affordable public service. Under this Government all procurement practices in the public sector will be improved so that we are guaranteed integrity in the purchase of goods and services by the public sector and value for money. This will reduce costs and ensure greater efficiencies in running Government.

We will also closely examine the processes by which Government considers and approves capital investments to ensure that the long-term impacts of these investments produce their desired results. We have already met with statutory authorities and government companies and made our message clear: There will be an improvement in financial performance. This will be done credibly and without disruption of service delivery.

This SPS sets targets for operating cost reductions over the next three financial years. Measures to be taken include:

- Review of the Public Management and Finance Law and underlying systems of budgeting and financial management in the public sector in an effort to lower costs while improving efficiency.
- Implementing appropriate electronic and web-based portals for government services.
- Reducing annual utility operating costs across the public sector by introducing alternative lower-cost technology such as LED lighting.
- Examining the privatisation of certain government assets and functions.

The next broad outcome, Madam Speaker, is a modern, smart infrastructure. The continued economic development of the Cayman Islands requires that the country has the appropriate and necessary infrastructure in place. Government will implement

policies that will support the development of the following:

- Cruise Berthing Port facility at the George Town Port.
- Major improvements to the Owen Roberts International Airport.
- A modern solid waste management facility.
- Upgrade of the George Town bus depot.
- Upgrade of the road network infrastructure
- Improved facilities and equipment for Her Majesty's Customs Department

The next broad outcome is a fit and healthy population. Individual quality of life is greatly impacted by one's health and fitness. The Government supports and encourages all residents of the Cayman Islands to take an active role in their own fitness and health. We also encourage businesses to ensure that workplace wellness policies and plans are in place. Policy development by the Government in this area will concentrate on:

- Development of a mental health facility, in conjunction with the private sector.
- Complete the Gym at the John Gray High School site to provide improved sporting facilities for Sports tourism as well as for community and school use.
- Development of a public multi-use sports playfield in the Savannah/Newlands community.
- Encouraging the use and enjoyment of all sporting facilities in the country.
- Continuing to push and encourage fitness and healthy lifestyles in schools and the community.
- Working to ensure that the national health systems in conjunction with the Health Services Authority and the Cayman Islands National Insurance Company, is progressive, efficient and effective while lowering costs where possible.

Since Government cannot do everything, it is important to work with private sector partners locally and overseas to help achieve these aims.

The next broad outcome is a centre of excellence in education. We strongly believe that education is one of the key cornerstones for the continued development of these Islands. Caymanians must have the skills and competency required by employers to take on high-skilled jobs and earn the salaries needed to truly enjoy the fruits of the Cayman economic success story.

This Government will turn its policy development in this area to:

- Completing the necessary parts of the new John Gray campus.
- Enacting the new Education Modernisation Law.

- Reviewing the management of the education system and correcting inadequacies and gaps.
- Reviewing training needs of educators to assist in working within the new academy model as used at Clifton Hunter.
- Discussing with interested private sector partners the creation of an education trust to raise funds for school infrastructure and working with Government to fund scholarships.
- Improving the requirements and criteria for assessing the suitability of candidates for Government sponsored scholarships.
- Ensuring that students applying for scholarships are suitably qualified and have received adequate career guidance.
- Considering an education voucher system that will give parents the choice of schools and allow the possibility for some children to move into private schools to help remove the full burden from Government.
- Using the 'Bermuda Model' where scholarships are granted to a select number of schools at which the Government has negotiated local rates, or at least lower rates than is usual for international students. (And when I speak of schools there, we are talking about overseas universities and colleges.)
- Working with the private sector entities to develop new educational facilities that will support jobs for Caymanians and economic growth.

The next broad outcome is a culture of good governance. As I said earlier, under this Government, all procurement practices in the public sector will be improved so that we are guaranteed value for money. This will reduce costs and ensure greater efficiencies in running government. Upholding high standards for good governance across the public sector is another key policy development area for this Government, and we will focus on improved standards and processes for the procurement of goods and services by public sector agencies, improve fiscal governance by managing public finances in compliance with the principles of responsible financial management, as set out in the Public Management and Finance Law, and enhance requirements for statutory authorities and government owned companies to practice good governance in all the areas of operation.

The next broad outcome is sustainable development in Cayman Brac and Little Cayman, with sensitivity to these islands' unique characteristics. The development of Cayman Brac and Little Cayman is important to the entire country and the Government will work to implement policies that will support their development, including:

- Encourage new jobs in the private sector, and where practical in the public sector, for Cayman Brac.
- Support development of the Sports Complex on the Bluff to encourage Sports Tourism on Cayman Brac.
- Convert the Bluff hurricane shelter site to a new Cayman Brac High School campus to replace the present campus.
- Consider a modern development plan for Cayman Brac.
- Review airlift and airport infrastructure needs to see what improvements are necessary.

The next broad outcome is the conservation of our biological diversity and ecologically sustainable development. The Government has a responsibility to protect the environment of the Cayman Islands. The environment we enjoy and have been blessed with supports our crucial tourism industry as well as the quality of life we enjoy and we must take steps to ensure that future generations of Caymanians enjoy the natural environment so many of us take for granted today. The Government has already tabled the National Conservation Law and plans for it to be enacted by the end of this calendar year, subject to the will of this House.

The next broad outcome is a robust agriculture sector suited to the needs and resources of the country. The Government will support policies that enhance the ability of farmers to grow local produce and livestock for the local market.

Finally, Madam Speaker, [the last broad outcome is] equity and justice in a society that values the contribution of all. Any modern society must embrace equity and justice in order for it to function and grow. The Government recognises this and will implement policies that will encourage this by enhancing the rights of women and children, including economic rights. Working with available resources to provide affordable housing to Caymanians, including encouraging and working with the private sector, supporting the work of organisations that focus on the health, wellbeing, and care of our elderly, and ensuring that the work of the steering committee focusing on the needs of disabled people completes its work and that the appropriate laws and infrastructure are put in place.

Madam Speaker, this 2014/15 Strategic Policy Statement puts the Cayman Islands on a path to long-term fiscal sustainability and establishes clear policy objectives aimed at ensuring a strong, stable and healthy Cayman society for generations to come, a Cayman where much-needed development does not leave behind our own people and destroy our environment.

The Government's policy objectives and overall fiscal strategies set out in this Strategic Policy Statement are both ambitious and achievable targets.

There is much work to do. But now we have clear plans that will, over the coming years, reduce annual operating expenditure, grow revenues in a sustainable manner, build cash reserves and reduce public sector debt, and provide more opportunities for our people and to build up our own people.

These may seem like grandiose plans, but to push this country forward we need a vision and we must aim high. Our country and our people deserve and expect no less. But I assure this House that in aiming high we will take our time and ensure that we get it right. We have learned some hard lessons since the PPM's last administration. We recognise we cannot predict world events and, as such, we are prepared to slow down plans if needed.

We are committed to complying with all that we have set out in this strategic policy statement to continue to get our country back on course, return the Cayman Islands to fiscal responsibility, and ensure that all arms of government adhere to the principles of good governance.

Madam Speaker, the future of the Cayman Islands is bright and vibrant. This SPS allows us to take another step towards that realisation. Accordingly, I ask all honourable Members of this House for their support on Government Motion No. 2–2013/14 which seeks the approval of the 2014 Strategic Policy Statement.

Thank you, Madam Speaker.

**The Speaker:** Does any other Member wish to speak?

I recognise the Honourable Leader of the Opposition.

**Hon. W. McKeever Bush, Leader of the Opposition:** Thank you, very much, Madam Speaker.

As we head into 2014, and before and after the recent elections, there are several observations that I have made, and I will speak to them.

Madam Speaker, I have no problems with the aims of the SPS. Much of this you will find in the ones that I laid. Hopefully, these are improvements and will get some of the things that I think the country needs done. Government's finances are healthy. There are healthy reserves. This could not be done in the last five months. It is all because of the licks I took in getting the revenue for this country. Although I had told the Foreign Office that I thought we were being over strenuous in trying to take that amount of money out of the financial services, only, at the time. Nevertheless, the orders were, *Do as I say, or else*, and we had to go that route. And we hope that the country can make that kind of money.

We will have to wait to see what is proposed for a (what is it?) two-year budget—the ones that will actually come to the House first. I guess the four-year one is the one that the UK is supposed to approve and then the two-year one is the actual country's

budget that the Government will produce. We will have to wait and see how that will work, how we will be able to be accountable over a two-year period and so on, going through the regular process of this legislature.

I am not going to say that changing the year is the key. When we looked at it we thought we would have to count the cost, because it is a costly exercise to do so. And we had to wonder whether changing the electoral year in order to effect that change would have been better. As I said, I am waiting to see what the Government will produce. Madam Speaker, most of my observations are in connection with our position as an overseas territory.

Madam Speaker, policies produced by this Government or any government will have to be agreed by the Foreign Office. That is so because we broke the law and we now have to go to them. That is a matter of fact, and we have to work with them and their whims and fancies. That is the position I am going to debate on.

Madam Speaker, I am glad that the present Governor, in my first official audience with her, was very, very pleasant. I am glad she does not come from the FCO regime. Although they are her boss, her bringing up, as it were, was from a different train of thought. She should, or would, be better placed to understand the business of these Islands. And she would understand that that is not spying, that is not sabotage, that is not abuse of the Governor's power; and it won't be something looking for a promotion, as did Duncan Taylor. So, I have high hopes for this Governor, absent any abuse of power that Duncan Taylor and his hand-picked cronies carried out.

Madam Speaker, I am hearing talk of this four-year budget and the FCO's support for it and how quick they can get their budget passed, or agreed. I am not about to debate the merits or demerits of that four-year budget, as yet. I don't know that that will help. I don't know what their four-year budget is and what it will entail or how it will help our people. But, if so . . . I hope it does, because that is the aim and objective, I think, of the governing party. But what we need more from the Foreign Office is less bullying and a real partnership.

This partnership is still a leaky ship. Getting okay for the SPS or the Budget quickly is one thing; but the demands—and it is obvious they are demanding—the bureaucracy will not help. They are saying, *Do what we want, or else*. If the FCO is about helping, then cut some of the old strenuous demands they have made. Their *quid pro quo* seems to be that the international business sector, as it is in the Cayman Islands, must disappear, as I believe that the beneficial ownership demands they have made will play some serious stress on us, while Canada and Switzerland say no.

The Federal Government in the United States does not have power over the states themselves on

those issues, so Delaware is left unscathed, and probably San Diego (where a similar situation abides) will also go free. So there is no level playing field. The FCO assistance is a *quid pro quo*. Their assistance seems to be, *We can tap your phones, your emails, your text messages and throw out what is right in Human Rights parlance for citizens*.

Madam Speaker, these Islands have always assisted the police services to stop criminal activity. When this last effort came to us we were told that it was needed to stop the gun crimes and they need to be able to track the gun criminals. Well, we have to agree to that kind of assistance. We were promised that there would be checks and balances. But really, there is none. I haven't heard any. I will have more to say about that later. But, Madam Speaker, blind Bartimaeus could see what the agenda of the Foreign and Commonwealth Office for the Overseas Territories is.

Certainly, I know that their aim and objective is, *Either Cayman's Government gives us what we want, or we will not cooperate with them. We will make it difficult for them*. My concerns are the effects of their agenda on these Islands because that is what we are fulfilling—the agenda of the Foreign Office.

Madam Speaker, as elected leaders who care what happens in these Islands, we certainly see different situations taking place. We know our heritage and our culture are being impacted negatively at times. We recognise that metropolitan countries, including, and, in particular, the administering powers of these Islands, are exerting their powers and laying on the pressure. I always look at what has been done over the years in various regions.

We look at what the Bahamas went through. We know, as leaders, what the late Sir Lyndon Pindling and other leaders had to fight and why. It was not only the havoc wreaked upon the majority of the Bahamian people there by the local merchant class, but also the conniving and inconsistency in policy, and outright abuse by the then administering powers who said, *This is what you must do because we want it so*. Well, they didn't only tell that to the Bahamas, they also told that to Jamaica.

We see the history of what they have done in other countries. They will find ways and means to connive against you. They will set up strategies to say you are doing the wrong things. And then when you check out the things they made you do, the country is at a tremendous loss. I hear about good governance and about accountability. One of these days the truth is going to be told about what they have done and how much they have made us lose.

But, what we have to also recognise, Madam Speaker, is that because the United Kingdom is part of Europe pressure is exerted on the United Kingdom because they are party to many international agreements. Pressure to put pressure on us! And even though those agreements are not in our best inter-

ests—and, in fact, detrimental to our culture, our economic interests and our interests as a safe and secure community—we are still made to comply with their self-interested policies. It is a fact.

Madam Speaker, in today's world when there is a new form of colonialisation—because that is what this is all about—it is a way that they have found to come back in offering technical assistance here, putting in who they want there, taking the local community, giving who they want awards, putting who they want on boards. We see it. And, as leaders, adept as we are, we must pay attention to the formulation of foreign policy which affects us for years, Madam Speaker.

Not many people knew much about any foreign policy. Few people understood it in terms other than, perhaps, of war and peace. Many people thought that for a small country like ours, the thing called “foreign policy” was a meaningless joke, and we needed not to pay attention to such matters. Madam Speaker, today, as I have said, it is different. Foreign policy is the result of a government's continuous definition and pursuit of its national aims and interests and sometimes . . . well, certainly, in the international arena, it is the pursuit abroad of national policies, and we have to do that through the UK.

As such pursuit consists of actions, foreign policy must also be defined and, as any action defined by the government of a country to achieve an objective, solve a problem or promote a change in the policies, attitudes or actions of other countries or international institutions. That's why I talked about Britain's connection with Europe.

Madam Speaker, as I believe that foreign policy is an extension abroad of national or domestic policies, it follows that those conditions within a nation or country such as ours determines that country's foreign policy. And, as I have said, this, to a very great extent, is the case, particularly for a small country such as the Cayman Islands whose foreign policy is guided by the United Kingdom. What, then, are the factors which should influence Caymanian foreign policy as per our own welfare?

Madam Speaker, geographic location. As we look on it, we don't have the troubles we used to have, countries all over. The Cayman Islands sits on the doorstep of the superpower which provides the leadership for the Western world. At the same time, it shares common boundaries with the largest island in the Caribbean, which also happens to have a political ideology opposed to that of the superpower, on the one hand, and then we have Haiti, the oldest republic in the world, on the other hand.

And, Madam Speaker, the Cayman Islands also sits astride one of the most important sea-lanes linking the Caribbean, Central America and the Gulf of Mexico to eastern North America and Western Europe. These two realities give the Cayman Islands strategic significance over many of our Caribbean

neighbours. But the most important single factor from our domestic setting [to] influence foreign policy is the need for economic development. This is not unusual as small countries, particularly at present, are pre-occupied with matters of development rather than with matters of defence and security.

From its early beginnings, our economy, due mainly to a lack of an abundance of fertile and natural resources, was based on the provision of services in the development of commerce. More recently, as our economy grew it developed strong linkages with economies of the American and other metropolitan countries and is now substantially foreign owned. The Result is a relatively . . . well, a very highly sophisticated, but fragile, economy which cannot withstand radical policy initiatives in foreign policy which aim to change traditional relationships with those companies. The important issue, however, as we have already seen, is the extent to which the present economic structure can serve the needs of these Islands.

Some people seem to be arguing that to continue the structure as it is, where we depend on tourism and financial services, and where we have to build a cruise port, for instance, would mean the attraction of massive amounts of foreign capital with a consequent increase in foreign ownership and lost independent economic action. On the other hand, we can't have our cake and eat it too. We have to face the prospect that to change radically—and I hope some of them are listening this morning—would mean a slower pace of development with a lowered standard of living, together with much greater hard work and self discipline.

There is nothing wrong with hard work and self discipline. That's what we are used to. But when it comes to a lowered standard of living, we have to accept that we have to accept the development that we can get, and work it to our better advantage, of course, or, we accept that lowered standard of living. For those persons who don't want this Government, or my Government, or any government, to do anything, they have to understand that.

Now, mind you, Madam Speaker, several of them—probably a lot of them—are well placed. Some of them have already made their money, and they are retired. And if they are not retired, they have the means to carry through when any part of Cayman is affected. That's why I wanted to develop shipping. I wanted to develop shipping, Madam Speaker, because the day that our international finance business sector is impacted seriously, then, what do we fall back on? Do we think tourists come here just to do, what? Go on Seven-Mile Beach and go to a restaurant? If you check, the demographics of the traveling public have changed.

The younger group now wants things to do. So we have to be prepared to accept some change or we go belly up, or we do get that lowered standard of living. And for those that tell you that you don't need a

cruise ship, and you don't need this, and you don't need that, they have, if not made it, then they are already capable of paying their bills on a monthly basis, where others cannot. So they are talking, from my perspective, in La-La Land.

You have heard, Madam Speaker, in view of the fact that these Islands are composed . . . and before I get there, Madam Speaker, whatever the path taken, foreign policy objectives would have to reflect such a choice. Now, on the one hand we have local people who are taking companies to court to change the road. Then you have the Foreign Office telling you, *If you can't do this, or you won't do this, if you don't agree with us, you got nothing.* And then what little you have locally, you have people taking you to court saying that you can't do it. That puts this Government in a similar situation to what my Government was in. The only thing is that I am not being the kind of Opposition that I had—and I won't be! There is too much to change, not to know that we can change.

One thing seems clear. The time for action is at hand. And we can't put it off and say, *Well, make them go somewhere else*—because they can! And they will! So, we have to accept that we are going to, as the old people say . . . we can't have our cake and eat it too. Tell me what is better off. For those that want a fireplace and the cookrum, they can have it. Those that don't want the air-conditioning, they can have it. I have been down that road. I lived through it. And August and September down through to November can be a very tough place when you have to use cardboard fans. And I am not 14 or 18, I am 58. So I have been there. I know about it.

Some of those people know about it too. But because they went through it and they have made themselves a little bit better off, they believe that we can stand still and we mustn't change anything. So what happens then to our young people? What do we do for them? In view of the fact that these Islands are composed in the main of young people, all of whom have better education, most of whom are getting a better education, and have, certainly, higher aspirations than any other previous generation of Caymanians, pressure can be expected to build for jobs. Pressure can be expected to be building for better housing. And pressure can be expected to build for schools and for any number of public services now and in the years ahead.

How do we get it? They have told me, certainly. And I don't believe that we should go down that road in any event. There can't be any income tax or property tax or anything else. And even when you do that, [if] you put it in you still have to make money to pay it. So where are we going to get the funds from for the rising expectations? Where?

Madam Speaker, in such a situation it is clear that efforts within our country will have to be augmented by efforts in the external environment with a view to coping with the challenge of providing for our

future. And our own national environment must be seen as an engine behind our foreign policy in the international environment, and the UK has to understand that, because we cannot keep cutting back and taking this privilege and taking that, which we were used to and doing, away with it because the UK wants it in order for us to get something. No!

Madam Speaker, many things are impacting upon us today. One result of the various changes is the emergence of issues like economic development, energy—a huge issue that we can't step away from—[and] food. Therefore, our people should be encouraged to do as much for themselves as possible. We have no supply of raw materials. But we do have the multi-national corporation to absorb our attention. And that's what we must work with. We cannot give away the patrimony of this country because of a European agreement with the United Kingdom.

There are welfare issues. There has also been greater concern with certain longstanding human problems, the various diseases that we have to contend with now, better education. And we must give, and be able to give, some consideration to our position on those matters. And, Madam Speaker, from where I stand, it is my belief that we should have that foreign policy which every country must deal with, which is the preservation of its independence as a country and security and second with the pursuit and preservation of its economic interests. These are all we have. And this is the crunch of the whole issue for us as a territory of the United Kingdom.

How do we stomach the action of the Foreign Office in telling us our phones will be tapped because they say so, even when we have, as a country, given every support to the police service to deal effectively in so many ways [with] their knowledge, their information, of reported crime?

Madam Speaker, we can't sign away our sovereign rights. No matter that we are an overseas territory, we can't sign that away to a country that we are competing with, and on matters of confidentiality on which our economic survival is dependent. Not from my standpoint. The Government can do as they please. They are the Government. But there are far too many inconsistencies in what the Foreign Office is telling us and what they are doing.

Madam Speaker, a democratic system of government operates in a manner that is different from totalitarian and dictatorial systems. Democracies have certain characteristics, which include governance systems that abide by the rule of law which, yes, is transparent, and which the liberty of the citizens is protected from unwarranted search and seizure and the tyranny of any government. And the creators of those systems experienced the havoc and injustice meted out to the majority of society by those in power.

The lack of restraint and the separation of powers led to a revolution across Europe and elsewhere, and the new order of the day, which protected

citizens from governments, was necessary. Even in today's world, in certain areas of the world which have not adopted proper restraints on the ruling class (and in this instance [it is] not this Government we are talking about; we are talking about the Foreign Office) and incorporated the rule of law and mechanisms which are transparent and placed limits on those who seek to regulate and rule the life of the majority of society are being subjected to similar revolution from the majority of those societies. If we look at television and we read, those modern revolutions are even more violent than those in the past.

The spying on citizens (I am talking about policy) and the gathering of information through the vast majority of information media and technology which exists today, impinges on the freedom guaranteed to the citizens and should only be used in very sparing circumstances and in a manner [where] permission so to do is given by an impartial tribunal (such as the courts, or some other tribunal, or some other group). Unfortunately, Cayman has had a history where the Governor, who answers to the Foreign Office, and Commissioner of Police, who answers to the Governor, exercise unrestrained powers in the country from time to time.

On the 19<sup>th</sup> of December 2002, the Chief Justice revealed in his findings on the Euro Bank Trial [that] a British police officer and head of the Financial Reporting Unit (FRU), Brian Gibbs, had withheld evidence, committed perjury, was a British spy, an FCO spy planted in our country, and was recruiting members within our banking system and collecting information for their intelligence.

Further, the sitting Governor of the day, Bruce Dinwiddie, ensured that Gibbs was safely returned to the FCO without having to face any charges in our courts and, in fact, alleged that it was because he feared for his life here in Cayman. So, not only did the FCO representative, the Governor, circumvent our laws, in a public statement published globally he had the audacity to infer we were going to cause harm to Gibbs. And we, as a Government then, had to hotly dispute the allegation that the former head of the FRU, Brian Gibbs, was obliged to leave the jurisdiction because of a potential risk to his personal safety.

We did that, as a Government. And we said: **"The Government has an obligation to defend the integrity and reputation of our country and the people of the Cayman Islands, Therefore, with the greatest of respect to the Governor, the statement that Mr. Gibbs' personal safety was ever at risk in the Cayman Islands is completely untrue in addition to being unwarranted and highly irresponsible in respect of the reputation of this country.**

**"There can be no doubt where the Cayman Islands stands with respect to the fight against money laundering and ensuring this country is not only a safe place to live, but a safe and reputable**

**jurisdiction to conduct business."** [Press Statement by Hon. W. McKeever Bush, 30 January 2003]

Those are good examples. Don't think that they don't play with us. If you are thinking that, then you are too in La-La Land.

Madam Speaker, in a paper produced some time ago about Bermuda's situation it was said . . . and since I am going to read this, Madam Speaker, I would like to give you a copy of it.

**The Speaker:** Thank you. Please proceed.

**Hon. W. McKeever Bush, Leader of the Opposition:** It said:

"As a British Overseas Territory, Bermuda does not have the right to determine policy in the international arena. That is the preserve of the British Government, the FCO. Over the past few years, however, it has become increasingly apparent that Bermuda's interests and those of the UK do not always coincide. Indeed, there is apparent growing conflict. This is particularly important when we consider the area of economic progress. Can Britain monitor and control Bermuda's financial services industry objectively, while it still attempts to expand its own? Can the UK adequately represent Bermuda's interests at OECD and EU forums while, simultaneously, promoting its own interests?"

And it went on to say, "Two illustrative examples suggest the improbability of this. Britain authorised the Bermuda Government to negotiate with the US in the closure of the American bases in the mid-1990s, but made the point of stating publicly they would not sign off on anything which was contrary to UK interests. Secondly, a few years ago the Bermuda Government had secured an additional airline to land in Bermuda and was awaiting UK approval. Because any plane landing on Bermuda soil is deemed to be landing on British soil, Britain sought a reciprocal additional landing slot in the United States. When the US Government rejected the UK proposal, the UK scrapped the deal arranged by the Bermudian Government." [UNVERIFIED QUOTE]

Let us not be lulled into any false sense of security believing that this agenda is not for them. The Foreign Office is doing what they usually do.

Madam Speaker, the last Governor, undoubtedly with the approval at the behest of certain persons in the Foreign and Commonwealth Office and the Commissioner of Police, unlawfully intercepted my phone calls, emails and other electronic media in an effort to remove me from the democratically elected position of Premier in this country. Numerous other persons, I have no doubt, were subjected to similar interceptions and are being done so.

This is not new to Cayman, as I have said, and has been an unlawful process exercised from the days of the Euro Bank trial. Those interceptions—



**The Speaker:** Honourable Leader of the Opposition.

**Hon. W. McKeeva Bush, Leader of the Opposition:** Yes, Ma'am?

**The Speaker:** Honourable Leader of the Opposition is that your opinion? And have you taken a look at Standing Order 35?

**Hon. W. McKeeva Bush, Leader of the Opposition:** I looked at it, Madam Speaker. And it is my opinion. But these are facts. This is not make-believe. I have looked at that Standing Order, and I am not barred from what I am saying, unless you have something new to tell me, Madam Speaker.

**The Speaker:** No, Honourable Leader of the Opposition. I am not privy to any tapping in this country, as far as the information received or retrieved.

**Hon. W. McKeeva Bush, Leader of the Opposition:** No, no. I said unless you have something new to tell me about what I am saying.

**The Speaker:** Yes. That is what I was explaining.

**Hon. W. McKeeva Bush, Leader of the Opposition:** Oh. Okay.

**The Speaker:** I am not a beneficiary of any tapping information.

**Hon. W. McKeeva Bush, Leader of the Opposition:** Yes.

**The Speaker:** Perhaps this is a convenient time to take the luncheon break.

**Hon. W. McKeeva Bush, Leader of the Opposition:** Just give me two minutes, Madam Speaker.

**The Speaker:** Please proceed.

**Hon. W. McKeeva Bush, Leader of the Opposition:** Just let me finish this point, Madam Speaker.

These interceptions, which included obtaining all my private banking information as well, known to many in this country—

**The Speaker:** Honourable Leader of the Opposition, sorry for the interruption again. But if you are going to continue on that point, then I will take the luncheon break and seek advice from the Attorney General just to ensure we are not in contravention of Standing Order 35(1), for your benefit, and for the benefit of the House as well.

**Hon. W. McKeeva Bush, Leader of the Opposition:** Madam Speaker, I would agree with you, if you just let me look at the Standing Order again—

**The Speaker:** It says, “(1) Reference shall not be made to any matter on which judicial decision is pending in such a way as might, in the opinion of the Chair, prejudice the interests of parties thereto.”

And because I am not up-to-date as to what charges are pending, I just want to err on the side of caution, sir.

**Hon. W. McKeeva Bush, Leader of the Opposition:** All right. I will agree with you, Madam Speaker, although I sort of want to get past this part of my speech to get on to the better things. But I can tell you the only one that can be affected would be me. So I [IN-AUDIBLE]—

**The Speaker:** Look at the bright side, if it's—

**Hon. W. McKeeva Bush, Leader of the Opposition:**—used it against myself, but I will agree with you, Madam Speaker.

**The Speaker:** Look at the bright side. If it's not in contravention of Standing Order 35(1), you will have an hour and a half to expound on that one point.

**Hon. W. McKeeva Bush, Leader of the Opposition:** I don't want to take that long, but thank you very much.

*[Inaudible interjection]*

**Hon. W. McKeeva Bush, Leader of the Opposition:** I have better things to move on to, don't worry.

**Proceedings suspended at 12:48 pm**

**Proceedings resumed at 2:43 pm**

**The Speaker:** Please be seated. Proceedings are resumed.

I invite the honourable Leader of the Opposition to continue his debate.

**GOVERNMENT MOTION NO. 2–2013/14  
STRATEGIC POLICY STATEMENT FOR THE  
2014/15 FINANCIAL YEAR**

*[Continuation of debate thereon]*

**Hon. W. McKeeva Bush, Leader of the Opposition:** Thank you, Madam Speaker. I promise I will not be long on that particular matter that I was dealing with, but it seems appropriate for me to say that the very fact that none of the information obtained has dis-

closed anything but legal behaviour on my part. It leads me to believe that no impartial tribunal properly directed would have permitted those interceptions, and over long periods of time.

By the Information and Communications Technology Authority Regulations 2011, the Cabinet passed Regulations which allowed the Governor to issue a warrant in limited circumstances, being in the interests of national security, for purposes of preventing or detecting serious crime to avert an immediate imminent threat to human life and circumstances coming within the scope of international mutual assistance agreements, or to safeguard the economic wellbeing of the Islands.

The Governor must be satisfied that interception of the message is proportionate to the ends sought to be achieved by the interception of the message and that the information sought could not be achieved by other less-intrusive means. The warrant issued must contain very specific information: **“8. A warrant shall contain - (a) the facts constituting the grounds for requesting the warrant; (b) details of the person or premises, if known, to which the request relates and how that person or premises are relevant to the request; (c) a description of the messages to be intercepted; (d) details of the communications service provider; (e) supporting evidence of urgency, where an application is said to be urgent; and (f) an assurance that all material intercepted will be handled in accordance with safeguards established by the Government or the Royal Cayman Islands Police Service.”**

The purpose of this section is to limit the Governor's powers and to ensure that those applying for the warrant (normally the police) set out in affidavit form the facts and circumstances necessary to meet the requirements set out in the law for a very unusual and intrusive interception into the rights and freedoms of a citizen.

Madam Speaker, surely, if the people's best interests were being considered, approvals would be required through the courts. It's a simple fact.

The law goes on to provide for the appointment of an audit committee by the Governor in Cabinet, which [would have] five members who should independently review and conduct audits of that request. No such committee has ever been appointed despite the law which exists.

Madam Speaker, as I said, it is my view that the power to issue warrants should be a judicial power only and that the relationship that has been established by the new Constitution, that the Governor is responsible for the police and the Commissioner of Police answers to the Governor and, in fact, works for the Governor, creates a relationship which is not arm's length, in which there is no independent body or person reviewing the request for the warrants. This was a request which was not approved by the Foreign

and Commonwealth Office for reasons which now appear obvious to me.

Madam Speaker, the fact and the danger in all of this, as we are aware, is that these intercepted calls . . . they can take an innocent call—you could be calling your mother, with her complaining to you about something, depends on what language she's using—they can splice it up to make it into something criminal and hold that against you. And those who would set you up to get rid of you have no qualms in going to great lengths to carry out their vindictiveness. It's a fact.

It is my view that only senior members of the judiciary, members of the Grand Court, should be empowered to issue warrants for the interception of telecommunications in any form whatsoever and, except in cases of emergency, that the application should be supported by an affidavit setting out the circumstances and the need for the warrant. And these affidavits should be maintained and available to the person whose information was intercepted at an appropriate time.

But warrantless wiretapping of any telecommunication or information should not be permitted and it is doubtful whether such is permissible under the present Regulations. And if it is not, then they are making regulations to do so, and Madam Speaker, I believe it could be successfully challenged in the European Court of First Instance, that in light of the abuses known to me and the relationship which has been constitutionally established, that the normal good governance transparency separation of powers and rules which are a part of the foundation of a democratic society cannot be adequately met, and the public cannot be protected from arbitrary abuses to the interference of their guaranteed privacy provided for in the Constitution.

For those reasons, what was proposed is not being done, and what was promised is not being done. The present Regulations should be repealed and replaced forthwith with the regulations which comply with normal rule of law provisions and the judges of the Grand Court, as independent persons, should be the only persons who can impinge upon the liberty of the citizens and only in exceptional circumstances.

History has shown that a society which surrenders its freedoms is doomed to suffer the abuse of those in charge and will ultimately fail. And we talk about good governance, and we talk about accountability, and we talk about international . . . What international people are going to say, yet, Madam Speaker, under these rules being governed by this type of policy and this type of foreign policy—because that's what it is, Madam Speaker. It's no good for the Cayman Islands. It is no good for the Cayman Islands.

And so, Madam Speaker, I would hope that there will be those who would agree with me to make sure that this atrocity does not take root here.

Madam Speaker, we will soon be debating the new Conservation Bill. It will have an impact on conservation and on our development industries. It will have an impact on people's property. There is no doubt, Madam Speaker, that we need development; for without it we perish. But there are examples enough to say that we must be careful how we develop and how we try to conserve.

Madam Speaker, the Industrial Revolution in Great Britain is a good example—the bad it did, cutting down big trees and so on; but the good it also created. Not just from what the industries were, but when they made huge roadways, and so on. They made big areas for livestock, for wildlife to flourish. And so it did good. The idea is that to get something we have to give something, and be sensible about it. The need to conserve the natural habitat and the wildlife within our Islands is not a matter of dispute. But we must exercise great caution in how we apply these amendments to our Conservation Bill.

We must not be driven alone by the interests of the National Trust, our Department of the Environment or, indeed, our own political motivations into enacting any amendments without prioritising the needs of our people and enabling the communities in which they live today, and will need to live in future years to be developed and, indeed, to be able to afford.

Madam Speaker, you will hear that this has been on the table a long time. And it is a fact. It has been there a long time. And you are going to hear that this Bill is smaller than the one that was first created. And that is true. And I give thanks to everybody who has worked on it over the years. Nevertheless, we have to be most careful in what we are enacting in that new environmental bill.

Take, for example, the proposed new highway which was announced. It has been talked about for years, also. And this Government has now put this on their agenda also. God forbid, Madam Speaker, we have another [Hurricane] Ivan. We need a central highway through this Island for all the reasons my colleagues will understand. So I will not belabor the point. This highway needs to be affordable, no less than a new school. And along this new corridor, especially the untouched northern section, this vast tract of land certainly deserves greater protection.

However, Madam Speaker, alongside this roadway we must ensure that designated areas are zoned to encourage a degree of development, be it residential, light industrial, commercial or farming. To the south side of this roadway is a vast area of land that has been quarried. That area within Bodden Town needs to be properly zoned to prevent holes being dug to the northern section of the new highway or, indeed, anywhere else. That's the area that is being used. To my way of thinking, improved zoning is the key to assist the Conservation Law which will accommodate our future needs.

Specific to that, Madam Speaker, zoned areas would direct investment in development to where it is essential for our economic growth. I especially feel that it will not be in our best interests to burden the private sector with issues that may arise from those amendment proposals. We need to ensure that investment zones for the future developments we need for our society are clearly defined and keep the costs for our housing needs affordable.

Madam Speaker, please let me further add that I have no political stance on the conservation matters. What we do now, if we do not act cautiously, will come back to haunt all of us. So, my friends, we need to determine the areas where those amendments should be directed. I think that this is one of those moments for us to choose to improve on what we have; but let's please be sensible in effecting our future needs within the areas that are not brought into conflict by the amendments contained within those proposals.

When we develop our natural environment there will inevitably be some element of disturbance of loss. As I have said, Madam Speaker, we must give up something to get something. For example, our construction of a dock for the cruise ships will obviously cause disturbance or damage. This is not peculiar to these Islands. But I ask myself often (and I asked myself when I was in charge): Are we not capable of constructing that dock in a manner that will not destroy, but, rather, improve the potential for our sea life and our world-famous Seven-Mile Beach in the long term?

I believe that with all the good sense, common sense, the knowledge of Caymanians, I believe that we could. But one thing I would say to the Government, I would not linger and labour long on it. If they are getting opposition from whatever quarters, then look at South Sound. I know they will get . . . Red Bay. I know they will get some opposition there as well. But perhaps for the future, for the dock, which they say they know they have to move, then they should look at it.

**An Hon. Member:** The North Sound.

**Hon. W. McKeever Bush, Leader of the Opposition:** Well, Madam Speaker, someone is saying North Sound.

We know, as well, that that is the best place to do it. I have said that many times. But then you never chop my head off and that was all. But I want to say to one and all that we can produce any four-year budget or 18-month budget, but if we do not get the revenue, if we do not get the money to do the things you are not going to worry about budgeting. Budget is only that, an estimate of what you might get in, and what you need to spend. But, Madam Speaker, this country cannot survive much longer on going back and forth.

Some of the things that we need to do, whether it is . . . Well, certainly, as I said earlier this morning, improved shipping could create a whole new industry for this country. Where we put it, well, that's the debate. But I can tell you that we had better start if we have 1,000 or 2,000 off the electrical grid now, and there are tons of people out of work, we just started that. When I say we just started, [it is] within the last four or five years. But it will continue and no good of producing budgets if you are not going to get the revenue. We have to move forward. And those persons need to understand that.

Madam Speaker, the Minister of Education said that there will be changes to the way education has been handled, or is being handled in these Islands. And I am glad to hear that. I think she has resolved to move forward. There are questions that should be borne in mind, Madam Speaker. Does the education that our children get today in school have a logical connection with what they will be doing out of school tomorrow? Is it germane to the occupations that they will have to perform? Is it material to the problems that they will have to solve? Is it pertinent to the changes in the social conditions in which they will find themselves in 5, 10 or 20 years' time?

Are we teaching enough Caymanian and wider Caribbean history in our schools? Are the subjects that are being taught relevant to our Caymanian children in 2013, 2020, or 2025? Whatever is being taught to the children today, is it relevant to the Caymanian culture? Is it relevant to any part of the region's culture that we can identify with?

What we are promoting, is it relevant to the Caymanian child so that he will grow up to be a more meaningful Caymanian, more knowledgeable of things Caymanian, so that he can expand and produce in his Cayman Islands? Do we teach Caymanian children civics? Not the civics of North America, not the civics of western Europe, not the civics of eastern Europe, but do we teach Caymanian children the civics of the Cayman Islands, the civics of the region in which they live so that they understand the political and economic systems into which they were born, into which they will be catapulted after they leave school, and in which they will be expected to succeed?

How can we expect them to succeed if they do not understand the system in which they will live, in which they will grow, and in which they will work? They must be failures if they are thrown into a system not having been fully prepared by a thorough understanding of that system. And that may be the reason why so many are not able to compete when they have left school, because they are thrust into a highly competitive system now, a materialistic system, not being fully prepared even by knowing how it works or what it means, much less how to get on.

So, is education in the Cayman Islands today relevant to the Caymanian children to fit in and then for them and the Cayman Islands of today and for the

Cayman Islands of tomorrow? Those are the questions, Madam Speaker.

Coupled with that, Madam Speaker, let me say this: I was talking about syllabus and curriculum, but is the teacher that we are importing relevant to the society in which he or she lives and works? Or is the teacher a little ashamed of that same society or [does the teacher] superimpose some other one on top of the one in which he [or she] was born? If the teacher is going to be relevant to the society, is it going to be necessary for the teacher to know and understand the society into which he is preparing his students to live and work?

Everything that I have said about the educational system, Madam Speaker, itself, applies all the more to the teacher because the teacher is going to have to interpret the system and expound it to the little boys and girls who look up to him or her several hours a day for nine months or more of the year.

Madam Speaker, is the teacher who changes careers to be a teacher, or something else, given support to maintain that teaching position or career? Where is the assistance for them? What kind of plans are in place to keep them in place?

Madam Speaker, I have to look at what we are doing when we retire a teacher who is Caymanian, who has worked in the system for years, whose students come out with good results. Why retire them at age 60? Why send them home with all their knowledge? And then import someone from somewhere else, older than 60, and not having the same qualifications. I say why is that being done?

Hard feelings are being built up by families and students who are astute and realise that this is not ordinary attrition in the Civil Service on the job, particularly so when the person has asked for their work to be extended beyond age 60.

Madam Speaker, all these things impact our children, our students, negatively. And, Madam Speaker, we should not—the Civil Service—be moving in a direction without consulting (I hope) the Education Ministry in those movements, because that is happening. And what does it say about our community? What does it say about our society? What does it say about the Government? And [it is] not the elected Government in this instance, because the elected Government, while they hire teachers in education, that kind of policy about age 60 is the area for the Civil Service.

Madam Speaker, I have seen some ugly things, you know, in my time pertaining to when people don't want to do certain things. I have seen it! I saw it when we were honoring Bernice Levy, an outstanding teacher. They didn't want that to happen. Why? Why do people have to have that kind of makeup? I don't understand it. Jealousy? They just don't like somebody? Or what is it? But does it all help our community? Does it not impact on the child? It

surely does. It affects every one of them. And I really can't think why that should be done.

Madam Speaker, there has been much talk about the Nation Building vote. I know that the Government took three or four weeks to go through every application and what was being done. I know, Madam Speaker, that . . . They always say there was not good accountability, and they can do it better. And I hope they can do it better. But, Madam Speaker, that vote had all been directed to meet expressed needs from reputable leaders of organisations. And those needs arose from efforts to serve our community to make it grow positively—in other words, the kind of selfless behaviour that strengthens a country.

Perhaps most critical, our scholarship programme in the Nation Building Programme sought to invest in our young people with high, positive aspirations. We had required each one to show acceptance at an institute of learning and to show costs as stated by that institution, all the necessary paperwork from the colleges and universities that they would be attending. A few secondary level scholarships have been granted in two categories, first for talent development both in music and sports, with the latter being funded to supplement scholarships from the recruiting school (that's an overseas school); and secondly for pre-university foundation courses which have borne good results, that is, that students were accepted into university.

However, most students were facilitated to attend university, a few of them at post graduate level. Some did not qualify for other scholarships because their grades did not allow them admission to certain institutions. And we all know that some institutions carry higher requirements than others.

It was not intended to dilute the Education Council's scholarship. What we were doing was to ensure that no young person with the ambition and the application to the task was deprived of the opportunity to improve themselves. What we have been very clear about with each one of them was that that was not just a ticket out of Cayman to go and party. It was no ordinary scholarship. That was for young people who were prepared to work for the common good, no matter their age.

Some scholarships had been granted for participation in the UCCI, local college programmes, essentially as a means of filling a shortfall in finances. Some of our most committed students are in that group. All scholarship holders have expressed keen willingness to give back to their community. Both the legal commitment letter they currently signed and the bond document confirmed their obligation to return to and work in community development or nation building activities. The investment in developing young leaders is well worth it. The Nation Building Programme, I thought, was well worth it, contrary to the mudslinging that has been going on about it in relation to the Nation Building Programme. We certainly

thought and were motivated and will continue to be guided by what was good for the child.

Madam Speaker, I do have to touch on this because I understand that various emails were sent to students in mid-October informing them that the Government of the day—

**The Premier, Hon. Alden McLaughlin:** Madam Speaker, on a point of order.

**The Speaker:** Honourable Premier?

#### POINT OF ORDER

*[Relevance]*

**The Premier, Hon. Alden McLaughlin:** Madam Speaker, I have been sitting, as I believe you have, and listening with patience to the debate of the Honourable Leader of the Opposition. But I believe that he has now strayed so far from the Motion that is before the House that I should draw your attention to Standing Order 36 on the matter of relevance.

This is not a debate on a budget address where the debate is allowed to be free-flowing and wide-ranging. This is a debate on the Strategic Policy Statement of the Government going forward which has outlined in broad strokes the fiscal policy and broad outcomes for this administration for the ensuing year. The Honourable Leader of the Opposition is drilling down into his Nation Building Fund and scholarships, and all sorts of things which you would normally expect to be part of a debate on a budget address. But certainly does not form, or ought not to form, part of the debate on the Strategic Policy Statement.

**Hon. W. McKeever Bush, Leader of the Opposition:** Madam Speaker, if I may?

**The Speaker:** Leader of the Opposition.

**Hon. W. McKeever Bush, Leader of the Opposition:** Madam Speaker, the Premier says that this Strategic Policy Statement is just the broad outcomes. But that's what I am discussing—the broad outcomes of the results of what they have put before us. And while the Motion is straightforward, the Motion deals with this Strategic Policy Statement (that's what they are asking us to approve), and I am debating what they are asking us to approve.

Ah, yes, he might not agree. But, Madam Speaker, if you look on page 51, a Work-ready and globally competitive workforce, and it talks about "**Partnership between the Education Council, or other scholarship granting body, and private sector business to help ensure that Caymanian students returning home have the opportunity to: (i) be placed with a company . . .**" and on and on it goes. So everything that I am talking about here I think is well within my rights under my Standing Or-

ders to debate this. And, mind you, for the Premier to talk about drilling down, Madam Speaker, who did more drilling down but him in the years gone by on this particular matter?

They will have every chance, Madam Speaker—

**The Speaker:** Honourable—

**Hon. W. McKeeva Bush, Leader of the Opposition:**—to rebut anything I say. But I think I am within my right. And I say that I am within my right, because I am debating what they have put forward.

**The Speaker:** Honourable Leader of the Opposition, I have listened to the debate very keenly, as I have also been taking notes. I have based my discretion to allow it based on page 28 which referred to: “**The Young Nation Builders’ Scholarship Fund will be replaced by the Government’s standard scholarship program in future years which will ensure proper processes and procedures for the awarding of scholarships.**”

And I have taken that the Leader of the Opposition was responding to that, seeing that he was the author and genesis of the fund. I do concur with the Honourable Premier that it should not take up the substantive part of your debate as we are not, in fact, drilling down and being specific. But the Member is allowed to debate on that as it is mentioned expressly on page 28 of the Strategic Policy Statement 2014/15.

Leader of the Opposition?

**Hon. W. McKeeva Bush, Leader of the Opposition:** Madam Speaker, it would be nice if we could all get up and reply in one sentence to any particular area here. But debate means to pull apart, it means to examine, it means to speak your mind, how you feel about any particular matter. There are many areas. Page 27, I think, and whatever the other page that I was reading, also refers to it.

And so, the email said (I don’t have that email, but this is what it said): “I am also writing to advise that Cabinet has indicated that it is minded to adjust the terms and conditions for the levels of funding provided—

**The Speaker:** Excuse me. Leader of the Opposition, do you have a copy of that email since you are referring to it?

**Hon. W. McKeeva Bush, Leader of the Opposition:** No, but I can give you what I wrote. That’s all I have.

**The Speaker:** Okay.

**Hon. W. McKeeva Bush, Leader of the Opposition:** But I would certainly give you the text of it, Madam

Speaker, so that you will have it. And I can get it, and I will give it to you either by tomorrow.

“I am also writing to advise that Cabinet has indicated that it is minded to adjust the terms and conditions for the levels of funding provided for scholarships and awards previously made under the Young Nation Builders Scholarship programme to be consistent with awards made under the Education Council’s scholarship programme. These adjustments will be made for the start of the 2014/15 academic year. Therefore, the 2013/14 academic year would be considered a transition year and your current funding arrangement will not be altered for this academic year. Outlined below are the adjustments proposed by the Cabinet . . .” [UNVERIFIED QUOTE]

And it went on to say that the recipients receiving more than \$25,000 to be advised that the academic year should be considered a transition year to bring it in line; that all tertiary scholarship recipients to be advised that at the end of the 2013/14 academic year there will be no additional funding provided for flights over and above the scholarship funding; that the Young Nation Builders programme recipients receiving both that and Education Council funding, to be advised that it is government policy that students are not to receive more than one source of government scholarship funding and that steps will be taken to regularise their situation for the start of the 2014 academic year. The current education scholarships awarded for \$20,000 per year have been set at that amount for many years now, while university fees have continued to increase in amounts of fees upwards of \$45,000 per year.

Madam Speaker, the Nation Building scholarships was a programme for students that were ambitious and desirous of attaining something more educationally but could not do so due to financial constraints. Some students that received Nation Building scholarships were also recipients of the Education Department scholarship. And I believe that that is where the . . . it was nothing else but some jealousy going on. That’s all.

They felt that we shouldn’t have had that funding while the Education Council had something less, or that they were given less. But that was why we created it, because there was a law guiding \$20,000 and we wanted to help the student more and make sure that fewer students fell through the cracks. That’s all that was.

The annual university rate is equivalent to another mortgage—costs, such as \$50,000 and \$60,000 per year for some universities. And I ask, Madam Speaker, if we have a handful of students who have worked hard and excelled in high school and achieved 10 and 12 O Levels, should we not assist them financially once they have obtained acceptance into an Ivy League university? That’s where most of it was taken up, Madam Speaker; someone who was going to a better university. Or should we just sit back

and tell them that it's too expensive and not part of the current Government policy? No, Madam Speaker.

Helping our young, bright minds was part of the dream to build the Cayman Islands a nation building. We can't compete in the future if we are not producing the best educated and qualified university graduates who are fully prepared for the global marketplace.

Madam Speaker, I don't know why they want to change the policy on scholarships and, additionally, for such a policy change to affect current scholarship holders who have contracts and are meeting all the terms of their contract. I don't understand that. If they want to change it, then they should change it when that course is finished; not change these children mid-stream. That's all I am saying. If you are saying that it is overly costly for government, well, that's for the current Government to know, and it is their policy. But they should not change those children in mid-stream.

The parents of these students can't afford to pay the difference of the university fees even after the educational scholarship. So how will they be able to afford with just one scholarship is unfathomable. I don't understand that. These parents have bills like all of us. They have mortgages, house insurance, life insurance, living expenses—light bill, water bill, grocery bill—plus some of these families are also responsible for taking care of their ageing parents and grandparents (some of them). So should these families have to make their parents seek social services instead? And should they be burdened with the additional stress of now worrying of what will happen to their children currently on scholarship contracts from September 2014?

Imagine those families that have two and three students that have excelled academically and obtained acceptance to universities. If parents can't afford to financially help the first child due to personal commitments and financial constraints, does that mean that the other children in the family should go without a university or college degree? I don't think it is right.

We have to do right by the bright minds currently present in these Islands to ensure that they achieve full potential, as some of them will need to fill these seats in years to come. That's my opinion. And I also think, Madam Speaker, and want to bring to attention the misconception that because a young family has worked hard and provided a decent home and upbringing, whether that home is in an up-and-coming neighbourhood for their children, maintain a stable and nurturing family environment to raise productive and respectful children, whether anyone should think that this represents that the parents are wealthy enough to be able to afford these kinds of university fees.

I don't think it's so. Many of the parents invested their monthly income during the child-raising years for the child to save the child and they could not

save money. They invested in programmes for their children to excel, programmes such as music and other things. Some parents spend their money on private primary and high school education thinking that would give their child that extra edge. So, Madam Speaker, I say if parents could afford to pay for their children's university education, they would have done so already and not continue to endure the hassles and stress which they and their children are enduring from the current policy change. I get the calls, I get the emails, so I know.

For the sake of the education officials, let me say, Madam Speaker, let us assume that there are some parents that could afford to pay but are not paying as they consider their money to be savings for retirement. Where does that leave the student? I duly note that all students are 18 years or older, and, by law, that makes them an adult. So, in essence, because a parent can afford to pay and is not willing to pay for the student who is now legally an adult, the student should suffer by having the scholarship contract broken by the Government? This is not acceptable. It is not acceptable to me, Madam Speaker.

If the Government is minded to make a change in policy in regard to education scholarships, then that is the Government's prerogative. However, Madam Speaker, I do not support the proposed policy change which, in essence, will result in breach of approximately 100 contracts. Any new policy by the Government should only affect the issue of scholarships from here on out, not existing scholarship contracts. And I urge the Minister not to go through with it. I beg them not to go through with it.

Madam Speaker, the irony of it is . . . and I am one that believes that we should help our private schools, no two ways about that. But we continue to subsidize the private schools where all the rich lawyers' children go and we can't give ours money for college?

You know, I heard about the churches with Nation Building. And I am not going to take that on, because that is emotive and they can say it was abused, or whatever. We wanted to give the churches and that would be decreasing. The scholarships were probably increasing because we wanted to educate more and more of our children.

But, Madam Speaker, when the Government gave a million dollars to the United Church for Prep School, a million!

*[Inaudible interjection]*

**Hon. W. McKeever Bush, Leader of the Opposition:**  
Yes!

*[Inaudible interjection]*

**Hon. W. McKeever Bush, Leader of the Opposition:**  
And we continue to upgrade them and help them. But

I believe as a country we need to do what we can do. So when you point your finger at me and think, *Oh, it's about good governance and accountability*. Yes. Well make it more accountable, if that's what . . . If you want to blame McKeeva, fine. But leave the children alone. Let them finish up the four years. Let them get their education.

And besides that, don't do what happened recently with that young man with his father on the radio where they took and changed the rules because he qualified. That's what we have to pay attention to; those kinds of things. He qualified and should be in one of the seats, but they changed the rules so he can't.

*[Inaudible interjection]*

**Hon. W. McKeeva Bush, Leader of the Opposition:** Yes. Put in a different one.

Madam Speaker, I know that that was a hot thing in the campaign. And I know that some people feel [we should] do away with it, you know, it's abuse and we shouldn't give the churches, leave the churches. That part of it if he wants to close down. God will judge us all one of these days, whether right or wrong was done.

But, for God's sake, leave the children alone now. Let them finish this out. Find the money wherever you have to find it from. You're bragging about all the money, right? Let's go back to the United Kingdom and say to them . . . instead of having [\$]114 million, [\$]141 million we are going to have [\$]130 [million] because you are going to take [\$]11 million and put it back in there and let those children go to school.

But I can tell you all that with those school fees and those scholarships, the Nation Building was one of the areas that I had to battle the Foreign Office on because that's what they wanted me to cut. Those areas! Send home 500 civil servants, cut that, and cut the seamen's and those benefits. That's the social benefits of this country they pounced on me about. And I told them to go fly a kite.

Come so charge me with theft if you want. And that's what they did!

*[Laughter]*

**Hon. W. McKeeva Bush, Leader of the Opposition:** But lo and behold, a week and a half after election all those theft charges disappeared. I tell you this: I can't wait for it to go to court. If that's *sub judice*, then let it be.

I can't wait! Because, Madam Speaker, it is a disgrace in this country when those kinds of things are done. That's what they wanted done. And there is too much jealousy in the various departments in government. They want to see certain people get ahead and others fall behind. That's the problem. It's an age-old

problem in this *little ya* Island, where our own people are jealous of who gets ahead and who can do what.

You don't see it?

Wait, wait . . . you are seeing it right now. You see some of who the promotions are. You haven't seen anything yet.

Madam Speaker, let me not drill down any more.

*[Inaudible interjection]*

**Hon. W. McKeeva Bush, Leader of the Opposition:**

Yes, Madam Speaker. I understand the Government's point that there were some people that got more than others. But I will tell you this: If they got in breach of the policy then they got, but they went to school. That's the important thing. That is the key. So some got 70 and some got 50, and some got 25. So?

*[Inaudible interjection]*

**Hon. W. McKeeva Bush, Leader of the Opposition:**

Well, they can say what they like. If they want to blame me, I made sure that money was there for children to go to school.

**An Hon. Member:** Whose children?

**Hon. W. McKeeva Bush, Leader of the Opposition:**

Well, whose ever they were. Whoever they were!

**The Speaker:** Please pass the comments through the Chair!

**Hon. W. McKeeva Bush, Leader of the Opposition:**

What's the difference?

**The Speaker:** Please pass the comments through the Chair.

**Hon. W. McKeeva Bush, Leader of the Opposition:**

Yes, Madam Speaker, they are going to have a chance. I can hear them. Let them get up! I am used to their beating. They get up and smirk all the time. Don't they think I can't see?

About whose children? Yes, whose children?

You're going to find none of my family there.

**An Hon. Member:** Close-close though.

**Hon. W. McKeeva Bush, Leader of the Opposition:**

Well, whether it be close-close, the fact is McKeeva Bush made sure that money was there for children to go to school. I don't care who they were! Whether they were UDP, whether they were PPM, whether they were C4C, or wherever they came from. I don't care, because I never looked at that in my entire life! Never did. You hear?



I never waste time for that. If they applied, my policy was once that group that was handling it said, Madam Speaker, that it could be done, I gave my okay as the Minister of Finance. That was all my job was.

*[Inaudible interjection]*

**Hon. W. McKeever Bush, Leader of the Opposition:** I don't know all . . . because I didn't even stop to look to see who the application was from, Madam Speaker. But what I did was make sure money was there.

So, if they want to get up now and beat McKeever to pieces and say, *He's just McKeever; he is not carrying on good governance. Not good governance. That's what it's all about. He's not accountable.* Yes? I reckon. Make them go ahead and beat me. Leave the children alone. Beat me some more. Leave the children alone.

Madam Speaker, in closing—

**Mr. V. Arden McLean:** You closing already?

**Hon. W. McKeever Bush, Leader of the Opposition:** Yes.

I have some more, but I can see they are getting hot under the collar for whatever reason. I do not know why.

*[Inaudible interjection]*

**Hon. W. McKeever Bush, Leader of the Opposition:** Why . . . Listen, Madam Speaker, the Premier might want a fight. I don't want to fight with him. I've taken it easy. I don't want to fight with him.

*[Inaudible interjection]*

**Hon. W. McKeever Bush, Leader of the Opposition:** Lay it on the Table! There is nothing that I am concerned about that you will lay on the Table. You can't do much worse than you have already done. You already wrote the children and told them that they are cutting it off. Go ahead, if you all want a big battle over all of this. It seems to me that rather than having peace all the time, maybe some people want a fight because they believe they will have the upper hand. Well, let them go ahead!

**Mr. V. Arden McLean:** You had no business to commit yourself to [INAUDIBLE]

*[Laughter]*

**Hon. W. McKeever Bush, Leader of the Opposition:** Let them go ahead. They have been licking me and lashing me while I have been sitting here taking it, and saying, *Look, for the good of the country. I am not going to get into all of this. I don't have to. There are pa-*

*pers I have too.* Oh, ha, ha, ha! Don't think that I am not still holding them. I still have those papers. Yes.

**The Speaker:** Can we please get back to the debate?

**Hon. W. McKeever Bush, Leader of the Opposition:** This briefcase, Madam Speaker . . . This bag here, Madam Speaker, still carries them. I am bringing it these days.

And some of them that want to play lily white . . . The last time I saw her it didn't look like many of them.

*[Laughter]*

**Hon. W. McKeever Bush, Leader of the Opposition:** So let them go ahead.

I believe, Madam Speaker, that I do not need to be an Opposition such as I had, and what I had to endure. I want to support the Government on anything that is done. There's nothing much wrong with this SPS, carrying out things that I want to be done, but there are things that I do have to say.

*[Inaudible interjection]*

**Hon. W. McKeever Bush, Leader of the Opposition:** Go ahead. I heard you know. They're talking about how many UDP people we got. When they went into it they found out there were PPM people too. Oh, I bet you that!

Madam Speaker, there are many, many good lessons for all of us. My generation, our generation (I should say), has always believed that children are a gift from God, the author and giver of all good things. And, Madam Speaker, we might be failing our young people.

Throughout much of the world children are the principal victims of society's troubling ills. In the so-called advanced countries we see it happening. A sense of hopelessness and despair that leads to drug addiction, crime, gang violence and other forms of antisocial behaviour, particularly among the young people. And in the Cayman Islands we find ourselves struggling to deal with that kind of social poverty, spiritual poverty of our own as we try to respond to rising expectations in a world changing economic political and social environment, Madam Speaker. That's the problem we are having, the rising expectations.

We are not a rich country. We are not. But we are certainly not poor. We do not have all we want; neither do we have all we need. But we do have more than most people have and for all that, we need to be grateful. Everywhere people are struggling for the very things many of us take for granted. We have peace. We have stability still. We have freedom of speech, and freedom of religion, and the right to go where we please whenever we please.

The poor are still with us. And, like death and taxes, Madam Speaker, they will always be. But, thank God, poverty does not stalk our land in such a force that we can't deal with it. And everyone still has access to basic healthcare and still has access to education. And what we need to say to our young people is that millions of our neighbours can only dream of living as we do. Yet how many of us take the time to thank God for the blessing that He has bestowed on us?

We have known hard times. But most of our youth are too young to know about them, too young to know what our grandparents had to do to survive. Some can't imagine the sacrifices they made to bring us to where we sit today. They are too young to know that back then the only place that they had where they could take refuge from the daily battering, Madam Speaker, of their spirit and their pride, and from the economic oppression, was the church. And even there, Madam Speaker, I was told that this bench belonged to this one, and that bench belonged to the next one. So, they had their problems.

And it may be in those days, too, difficult now for some to understand, the only peace many of them knew was at that moment when they fell on their knees and asked God to guide them.

So, Madam Speaker, we are better off as a country now because the majority of the people did what they had to do. And I, for one, believe that we should always be telling our young people these sorts of things. They face new challenges, our young people. We talk about crime. We talk about all the things that affect them. We need to tell them, *Look, thank God we are doing better off today than we ever did before.*

Their world is different from mine, probably different from yours, Madam Speaker, and probably different from some of the older Members here. They face a different set of challenges, different than those I faced in their age group. Their interests and priorities, even their language, has changed. And they are growing up with a global culture in a sort of a global village where the whole world is their backyard. The music is even different. Their attitudes about life, their attitudes about love, their attitudes about work and even faith are still being formed. I hope that they are consistent with what the Cayman Islands needs to prosper as a country for all that they achieve and believe will rest on those values that they adopt during their formative years.

Madam Speaker, if we are talking about nation building, and that is what we want to do—build a nation—we need investment to put them on the educated path to a well-paying job where they themselves are contributing to their country. Stats tell us that amongst those contributing to crime are the majority of those who didn't graduate, young boys, for instance, coming from single-family homes. At this point, if the majority of those are disenfranchised for

one reason or another, imagine if we add to it those that are trying to get a college education, where will we be as a country.

Yes, Madam Speaker, we are not lost. I say that many times. I said that in a speech a couple of days ago to the seamen. There are mentoring programmes, placement programmes, grant programmes, all sorts of programmes. But there is a problem in rising expectations. No one, it seems, who went and received a university education wants to start at the bottom. And while I sympathise and empathise, there are jobs that are stepping stones. And they must grab those jobs.

We know that there are many more distractions than we had in our age group. So, as parents, guardians and civic minded Caymanians, we have to more than watch what our children are doing, where they are going, who they are talking to, [who] their company is. And, Madam Speaker, we have to get back to those basics. How many cases of this are we seeing? Where is the society heading, Madam Speaker?

Time ago, [if] older people saw you making mistakes, they stopped you. My aunt was 95 years old. She passed away yesterday. I remember the licks she put on me. If she saw me somewhere about, she was not waiting for my mother. We respected [those] kinds of people, that kind of authority. And no matter how much we pour into the budget, we pour into different funds, if we lose all of that, then our society is not getting anywhere.

So, Madam Speaker, I expect that there will be those who disagree with what I have said. I am not here laying any blame at any particular person's feet. What I am saying is that there are a number of areas that the Strategic Policy Statement highlights that I would like to see some changes to. But there are many areas that I am in concrete agreement with.

Thank you, Madam Speaker.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Last call: Does any other Member wish to speak? [pause]

If not, I will call on the Honourable Premier to exercise his right of reply.

**The Premier, Hon. Alden McLaughlin:** Madam Speaker, if I might just have one moment before I commence? Yes, if we could have a few moments suspension.

**The Speaker:** The House will suspend for 10 minutes.

**Proceedings suspended at 3:49 pm**

**Proceedings resumed at 4:20 pm**

**The Speaker:** Please be seated. Proceedings are resumed.

I recognise the Honourable Premier to exercise his right of reply.

**GOVERNMENT MOTION NO. 2-2013-/14  
STRATEGIC POLICY STATEMENT FOR THE  
2014/15 FINANCIAL YEAR**

*[Continuation of debate thereon—Premier's right of reply]*

**The Premier, Hon. Alden McLaughlin:** Thank you, Madam Speaker.

I wish to start by thanking Members of this House for what I regard as their tacit approval of the Government's Strategic Policy Statement. Only one Member has spoken in response to the Motion and that was the Honourable Leader of the Opposition, who spoke at some length and, indeed, generally said that he had no problem with the Government's Strategic Policy Statement, but took the opportunity to ventilate a number of issues which appeared to have been weighing heavily on his heart.

Madam Speaker, the Honourable Leader of the Opposition raised the matter of the UK's and the OECD's continued pressure about disclosure of beneficial ownership of entities in countries, particularly off-shore jurisdictions and bemoaned the fact that this continues. The Government takes the view that as long as what is required is required of all the players in the industry, whether they reside in off-shore or on-shore jurisdictions, the Cayman Islands will do as we have always done, compete with the best of them and continue to provide world-class service. So we will continue our efforts to be players in helping to shape the way this whole issue evolves.

Indeed, there are going to be sessions in London next week at the Joint Ministerial Council [JMC] that deal with these continued issues of tax and transparency which is a key factor on the agenda of the Prime Minister of the United Kingdom. So, I wish to give this House the assurance that these things are very much within our contemplation. Attending the JMC with me will be the Honourable Minister with responsibility for Financial Services because I regard this as being very critical and I wish to have him with me because he has specialist knowledge about these issues.

So, the Leader of the Opposition may rest assured that we are not letting this slide. We are not letting this slip. We are keeping our eyes keenly focused on these issues.

Madam Speaker, the Leader of the Opposition also spoke about the wiretapping issue. I could not help but reflect that it was 10 years ago, when he was then Leader of Government Business, that the Information Communications Technology Authority Bill was

piloted through the Legislative Assembly and <sup>1</sup>passed. He knows, and I think everyone now knows—because the media has unearthed the Hansards for those times—that I took a very strong view about the appropriateness, or otherwise, of these warrants being issued, not by a judge, but by the Governor. Indeed, I moved the committee stage amendment to change the legislation which had come down there and the then Governor refused to assent to it.

Ultimately, the UK had their way, and the legislation that was passed then is the legislation that we are dealing with now—legislation which was passed under the leadership of the now Leader of the Opposition. So, the Leader of the Opposition ought to know very well what the UK's attitude is to this and what it is that I, as Premier, or the Government, can do in the face of the UK's determination for this provision to remain the way it is.

What we are going to do—which he ought to have done, and which he did not do—is to put in place the same oversight committee that he spoke about and we are going to insist that part of its makeup is a judge of the Grand Court so that there will be some judicial scrutiny albeit after the fact, as opposed to at the time that the warrant is being sought.

Madam Speaker, the Leader of the Opposition spent a significant amount of time in something of a rant about the United Kingdom Government and the FCO, and so forth and so on. Madam Speaker, I have been around for some time. I have seen the approach and have witnessed the result of the approach of the now Leader of the Opposition to the FCO and to the UK. I believe that even those who may judge this far more objectively than I, who are not in the middle of the political fray, would not conclude that that approach has yielded much success or yielded much benefit to the Cayman Islands—not in terms of reputation, not in terms of results, and, certainly, there is little we can point to to say, *Well, we won this round, and that has gained this for Cayman.*

So, Madam Speaker, that is not my approach. I believe I have been around long enough for people to understand and know that I do not shun a fight, and that I am not afraid to stand up when I believe standing up is the right thing to do. But, Madam Speaker, I do not believe that constant conflict and confrontation with the United Kingdom Government is in the overall best interests of Cayman. I believe it is counterproductive and distracting.

Madam Speaker, I was reminded of a few lines from an old Rolling Stones song when I listen to the Leader of the Opposition:

*You can't always get what you want  
You can't always get what you want*

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<sup>1</sup> Read a third time and passed on 16 December 2003 (2003/04 [Official Hansard Report](#), page 1277)

*But if you try sometimes you just might find  
You get what you need*

That is my approach to these matters.

Madam Speaker, I have been hearing in the margins of this Chamber some rumbling from some Members of the House. I noted very quickly just now as I went onto *Cayman News Service* this view, that is being taken by some, that the move of the fiscal year to the calendar year is somehow going to be attended by great costs and expense. I am not sure on what basis that conclusion is drawn. But, certainly, the people that we work with here and elsewhere, and our observations from what we experienced in Jersey when we visited there, is that this is not the case at all. What is required is proper planning for the move.

Madam Speaker, as you would have observed, our proposal is for the next budget which starts on 1 July 2014 to be an 18-month budget so that we are not going through a budget process for six months. Instead, we simply extend the next budget cycle and start the next budget year bang on target on 1 January 2015. Indeed, the change will require some amendment to the current legislation, but we are proposing significant amendments to the Public Management and Finance Law anyway.

I have heard some noises that somehow preparing the budgets and the audits that follow are going to be more expensive because of all of this exercise. We really don't follow that line of reasoning (if I may call it reasoning—

#### **Moment of interruption—4.30 pm**

**The Speaker:** Honourable Premier. Might I invite you to suspend Standing Order 10(2) to allow the House to continue beyond the hour of 4:30 pm?

#### **SUSPENSION OF STANDING ORDER 10(2)**

**The Premier, Hon. Alden McLaughlin:** Madam Speaker, I beg to move the suspension of Standing Order 10(2) in order for the business of the House to continue beyond the hour of interruption.

**The Speaker:** The question is that Standing Order 10(2) be suspended to allow the House to continue beyond the hour of 4.30 pm.

All those in favour please say Aye. Those against, No.

**Ayes and one audible No [Mr. D. Ezzard Miller]**

**The Speaker:** I believe the Ayes have it.

**Agreed: Standing Order 10(2) suspended.**

**The Speaker:** Honourable Premier, please continue with your reply.

**The Premier, Hon. Alden McLaughlin:** Madam Speaker, some of the things that I have heard are that somehow this is going to require major amendments to the legislation that have set up statutory authorities and government owned companies, and that there are 25 of them, and so on and so forth. Madam Speaker, none of that is going to be necessary. This change can be made by a change to a single law, the Public Management and Finance Law.

Madam Speaker, we are not doing this at a whim. And we certainly are not jumping ahead of ourselves in doing it. The Honourable Minister of Finance spent considerable time in explaining what would be necessary and that the earliest this could actually occur would be the budget year beginning 1<sup>st</sup> January 2016. So, a lot of thought has already gone into this as a policy, but a great deal more will have to go into working out the mechanics of it and to make sure that we get it right. But we are doing this for the reasons I earlier articulated, which are to get the budget year away from the election cycle, to move into multi-year budgeting so that we don't have to continue to spend eight, nine months of the year in the budget process, and it is also believed that it makes a tremendous amount of sense from the Government financial position.

As the Minister of Finance said, the financial services-related revenue accounts for approximately 40 per cent of the Government's total annual revenue. As most of these revenues are received in the January to March timeframe, it means that with the year starting on 1<sup>st</sup> July, the Government can be as much as nine months down the track before it realises that revenue is not tracking the way it had hoped and it is then nigh impossible to change course, or at least to do so in a way that is going to materially affect the overall expenditure of Government. So, it makes tremendous amount of sense from that standpoint.

Madam Speaker, it will also address what is a somewhat confusing situation that obtains at present in which Government presents its economic and statistical information on a fiscal year basis and on a calendar year basis. So, that means that the economic stuff gets done on a mid-year, fiscal year, and the statistical stuff gets done on the basis of a calendar year. So, Madam Speaker, we believe that it makes all the sense in the world and that is why we are proceeding down that particular road.

Madam Speaker, lastly, I want to deal with this controversial issue of the Young Nation Builders Scholarship Fund which the Leader of the Opposition raised, and deal with some of the allegations which he has made. Madam Speaker, we have tried to be very careful and discreet and sensitive in our handling of this matter so far because there are young people involved. And that is why, until now, we have not said more than we have said. But I tell you, Madam Speaker, hand on heart, it would be difficult to con-

ceive of a more disastrous programme or set of circumstances than we were presented with when we took office.

There was little in terms of systems. There was one person who was deciding on who gets scholarships, and that was the Premier himself—

**Hon. W. McKeeva Bush, Leader of the Opposition:** No. Madam Speaker, on a point of order.

**The Premier, Hon. Alden McLaughlin:** Madam Speaker, I have the records.

**Hon. W. McKeeva Bush, Leader of the Opposition:** He can have the records all he wants, Madam Speaker. The Member—

**The Speaker:** Can I hear the point of order?

**The Premier, Hon. Alden McLaughlin:** He's had his debate, Madam Speaker!

**POINT OF ORDER**  
*[Misleading]*

**Hon. W. McKeeva Bush, Leader of the Opposition:** The point of order is that the Member is misleading this House.

**The Premier, Hon. Alden McLaughlin:** No I'm not.

**Hon. W. McKeeva Bush, Leader of the Opposition:** Yes, because there was a committee—

**The Premier, Hon. Alden McLaughlin:** I am going to lay the papers on the Table of this House.

**Hon. W. McKeeva Bush, Leader of the Opposition:** Madam Speaker . . . you can bring the papers—

**The Speaker:** Gentlemen—

**Hon. W. McKeeva Bush, Leader of the Opposition:** Madam Speaker,

**The Premier, Hon. Alden McLaughlin:** They are here.

**Hon. W. McKeeva Bush, Leader of the Opposition:** Madam Speaker, I book my right to make a personal statement after the Member finishes, if I am not allowed to ventilate what he says. And that is a right that I have.

**The Premier, Hon. Alden McLaughlin:** You raised the issue—

**The Speaker:** Misleading is not deemed to be a point of order, as has been ruled by previous Speakers,

including Speaker Linford Pierson and others. If you wish to make a personal statement you can make an application to that point. The rules of order are set out in the Standing Orders and where it is silent, as you would full well know, it is in Erskine May. And the rules of debate commence on Standing Order 32.

**Hon. W. McKeeva Bush, Leader of the Opposition:** Madam Speaker, I am well aware of it. And I just . . . I will crave your indulgence to make that statement directly after the Member has made it, if the Member does not allow me to ventilate what he said. Then I will book my right, with your indulgence, to make that clarity.

**The Speaker:** A personal statement is made in accordance with Standing Order 31, "**With the leave of the Presiding Officer, a Member may make a personal explanation although there is no question before the House; but no controversial matter may be included in the explanation nor may debate arise thereupon.**"

Honourable Premier.

**The Premier, Hon. Alden McLaughlin:** Madam Speaker, the Leader of the Opposition raised this issue. This is not what I came down to this House to deal with today. Not at all! And I should say that this matter will be the subject of an Auditor General's report and all of the facts will be there in the fullness of time.

**Hon. W. McKeeva Bush, Leader of the Opposition:** What a surprise! The Auditor General.

**The Premier, Hon. Alden McLaughlin:** Right.

So he can make as many personal statements as he wants.

**Hon. W. McKeeva Bush, Leader of the Opposition:** I will make it and deal with him too.

**The Premier, Hon. Alden McLaughlin:** Mm-hmm.

Madam Speaker, we have had for as long as most of us can recall a scholarship system which has been administered by the Education Council, pursuant to the Education Law (1976). That is the body that, as I said, for as long as we can remember has set criteria, considered applications, made awards of scholarships.

When I took office in 2005, the standing amount for undergraduate scholarships was \$16,000 a year. It was apparent to us then that that number was much too small given the increased cost of tertiary education. So, with the support of my colleagues in Cabinet, including (at the time) the Member for East End, we agreed to increase that figure to \$20,000.

There had been also established by the now Leader of the Opposition prior to that, certain Ministry

of Tourism scholarships which were being operated outside the scope of the Education Council, but which were regarded, generally, to be of the vocational nature. Not entirely, but mainly. But the vast number of scholarships were dealt with and administered by the Education Council which has on it persons who have an interest, most of whom have experience in education. They look at the schools and they actually, usually, have a list of what are considered to be competitive universities and colleges, and the practice has been that scholarships are not awarded to students who are attending schools which are not judged as competitive by these various bodies overseas. So, that has been the system.

There seems to have sprung up this idea of a Young Nation Building Scholarship Fund which would operate completely independently and outside of the authority and jurisdiction of the Education Council. It was run, and it resided in the office of the Premier and the only person who approved scholarships was the Premier himself. For some considerable time after the programme started there was no written criteria, there was no vetting process. It was simply a matter of who spoke to the Premier or who got their information to the Premier.

Over time, as a result, I presume, of criticisms and concerns and so forth, two persons were appointed—neither of whom have any experience in education, neither of whom are teachers or were teachers, neither of whom had any experience in vetting these universities or colleges. And so, they went through the application process, it seems, in the latter days of this programme. And I am sure, Madam Speaker, that they did their best.

By the time we arrived there was actually (and I will lay this on the Table of this House) an application form with certain criteria and a provision which says that the maximum award of the scholarship is CI\$25,000 per academic year, for a maximum period of four years. Students may be awarded partial scholarships at the committee's discretion and annual amounts in excess of this may be recommended on a case by case basis. But the maximum award, according to this criteria, was CI\$25,000 a year.

Mr. Serjeant, with the Speaker's permission, would you lay this on the Table?

**The Speaker:** Please proceed.

**The Premier, Hon. Alden McLaughlin:** Madam Speaker, we have recorded instances of students attending or being sent to institutions which, quite frankly, did not exist.

We have instances, one of which is being pursued now by the Cayman Islands Government, of the person ostensibly in charge seemingly taking the money, the young people not attending any school, living in YMCAs, supposedly having gone . . . and I am not going to call the name of the institution, but it's

right here, or the supposed institution . . . of authorities here and the parents of children having to scramble to find somewhere else for the young people to go, to attend.

We have instances here of young people ostensibly under this programme being sent off to high schools—*high schools*—at the cost in one instance of US\$71,810 a year; in the case of another, \$69,590 a year—all awarded under the hand of the now Leader of the Opposition who was then the Premier, one of whom is the daughter of his then political advisor, Mr. Richard Parchment.

So, when we took the view, having gone through this exercise and looked at the number of persons who were awarded these scholarships, the number of them who are not and have not been meeting the minimum GPA requirements set out in the criteria developed by the office of the Premier, but who continued to receive this funding, when we looked at the number of students who have not been able to get scholarships under the regular (if I may call it that) programme administered by the Education Council, because the funding that they would have gotten has been spent on many of these other students who were, or who did receive scholarships under the Nation Building Scholarship Fund, we had to do something about it.

The first thing I did, Madam Speaker, was say, *This needs to be transferred from the office of the Premier to the Ministry of Education and dealt with in the usual way that scholarships ought to be dealt with by persons who know something about education. There is nobody in the office of the Premier who does that. I have been Minister of Education but I am not a technical person when it comes to education. I understand the broad principles very well, but this is stuff that needs people who understand how this system ought to be operated.* That was the first thing I did.

They went through, painstakingly. And it took months. And every time you thought you'd gotten to the end of the list, another set of papers would turn up with some other names on it of young people to whom Government was obligated to give these scholarships.

Madam Speaker, it was a complete and utter shambles. This is one of those cases where the then Premier basically operated this programme out of his back pocket and decided who was going to get a scholarship and how much it was they were going to get, because he was *the decider*. And so, Madam Speaker, when he gets up and rails at us about not wanting to further the interests of Caymanian children and giving them opportunities, I don't run up my mouth as much as he does and pound my chest about how much I care about Caymanians the way he does. But I promise him, he doesn't care any more about the future of the people of this country—particularly the young people of this country—than do I. I am still taking, and probably will take long after I am gone, the licks for trying to pursue my vision for what kind of

educational opportunities young people in Cayman should get.

There is \$13 million in scholarship money in the current budget. Our problem . . . And let me say this: I believe, Madam Speaker, that we need to find a way to increase the grant under the Education Council from \$20[,000] to \$25[,000] because \$20[,000] is too small. It is just that the money and the constraints we are under with the budget, has kept us from doing that. So it is not about that; it is about how this is administered. And it is about the inequity inherent in this programme which has given a relatively small number of students, huge sums of money, disadvantaging others who are qualified and whose parents struggle.

He talks about the parents of these ones that we have taken a decision to reduce next year—not this year, because we don't want young people to get kicked out of programmes and not be able to go ahead. That is why we said it's too late. But we cannot have some students receiving \$71,000 a year and other students on the waiting list and can't get a scholarship at all, because that's where we are with this programme.

Whether you get a scholarship in this country ought not to have anything to do with whether you support the Premier, whether you support the UDP, whether you support the Progressives, or C4C. It ought to be on the basis of merit.

*[Desk pounding]*

**The Premier, Hon. Alden McLaughlin:** That's what it is about.

So he can get up and scream bloody murder. He can come and issue five personal statements if he wants. I dare him to present the evidence that this programme was run correctly, was run fairly, was run transparently, and that his personal political involvement was not evident in every single grant of every single scholarship. That's what I want him to get up and personally explain to the people of this country.

So he will continue, Madam Speaker, to say, *Alden and Tara, and this one and the next one on the other side, don't want to see young Caymanians progress and it's all about politics.* It is all about politics from *his* perspective. Every young person in this country who makes the grade ought to have the opportunity to get tertiary education. Even those that do not make the grade, we have to find a way to give them the second chance, to be able to make the grade. But what we cannot do, what we must not do is, *Because you are my political assistant's daughter, I sign off a cheque and give you \$71,000 a year; but because you are Kurt Tibbetts' daughter, you can't get a scholarship.*

That is what we must not do. And that is what the then Premier (now Leader of the Opposition) has done. And that is what he wants us to continue to per-

petuate in this programme. But we are not going to do it. And we will not be brow-beaten into doing so.

He started, Madam Speaker, the Leader of the Opposition, by reading an excerpt from something that was in his speech. He said it was an email that was sent to some of the Young National Builders Scholarship Fund recipients. I believe that what he is referring to is a letter which was sent to all of those in the programme who were receiving, in breach of his own criteria, in excess of \$25,000 a year. I am searching among my dozens of sheets of paper here to find the actual letter . . .

*[Pause]*

**The Premier, Hon. Alden McLaughlin:** This is what I am looking for.

Madam Speaker, there is a letter, and this is a draft of it, of October 14, 2013, that was sent out under the instructions of the Minister with the approval of Cabinet. But the letter is signed by Mrs. Mary Rodrigues, the Chief Officer in the Education Ministry.

**The Speaker:** Is it your intention, Premier, to lay it on the Table?

**The Premier, Hon. Alden McLaughlin:** Yes, Madam Speaker.

**The Speaker:** Okay. Thank you.

**The Premier, Hon. Alden McLaughlin:** We are going to get this all out in the open and everyone can make their judgments based on this. This is not the course down which the Government wished to go, but the Leader of the Opposition insists.

**“October 14, 2013**

**“Dear”** [whoever the person is]

**“Adjustments to the terms and conditions for continuing students under the Young Nation Builders Scholarship Programme.**

**“Please be advised that the Young Nation Builders Scholarship Programme is now managed by the Scholarship Secretariat in the Ministry of Education, Employment and Gender Affairs.**

**“I am also writing to advise that Cabinet has indicated that it is minded to adjust the terms and conditions for the levels of funding provided for scholarship awards previously made under the Young Nation Builders Scholarship Programme to be consistent with awards made under the Education Council Scholarship Programme. These adjustments would be made for the start of the 2014/2015 academic year.**

**“Therefore, the 2013/2014 academic year would be considered a transition year, and your current funding arrangements will not be altered for this academic year.**

“For clarity, under the Education Council Scholarship Programme, the maximum funding allowable is as follows:

- Undergraduate funding (including standard and technical/vocational Associate and Bachelor Degree programmes): a maximum of CI\$20,000 per annum for up to 4 years for overseas tertiary studies or for local tertiary studies, the cost of full tuition and books.
  - Please note that Education Council also has discretion to award an overseas Merit Scholarship for up to CI\$25,000 per annum, based on high academic achievement and available funding.
- Post-Graduate funding:
  - Masters: a maximum CI\$25,000 per annum for up to 2 years
  - Graduate Diplomas: a maximum of CI\$25,000 per annum for up to 1 year
  - Legal Practice Course (LPC) (overseas): a maximum of CI\$25,000 per annum for up to 1 year
  - Professional Practice Course (PPC) (local): a maximum of CI\$10,500 (based on fees at the Truman Bodden Law School)
  - PHD: a maximum of CI\$75,000 over 3–5 years
- Medical Degree Undergraduate Funding: a maximum of CI\$20,000 per annum for up to 6 years (local and overseas)
- Other:
  - The funding stated above is intended to contribute towards the costs of tuition, housing, travel, books, etc. There is no additional funding provided over and above the scholarship maximums noted, for example, for the costs of flights.
  - There is a provision for funding for one summer per student overseas for up to a maximum of CI\$4,000, subject to available funding and written pre-approval by the Scholarship Application.
  - Scholarship recipients of government funding are only allowed to receive one Ministry scholarship at a time during their tertiary studies i.e. a student can only receive funding from one of following scholarships: YNBSP, Education Council (Ministry of Education) or Ministry of Tourism.

“Please note that these criteria are subject to change and are currently being reviewed. It is anticipated that changes will be implemented for

the start of the 2014/2015 academic year, you will receive a copy of any changes.

“Outlined below are the adjustments proposed by Cabinet:

- Tertiary scholarship recipients receiving more than CI\$25,000 to be advised that the 2013/2014 academic year is to be considered a transition year, following which the Government intends to regularize all YNBSP funding, to bring it in line with the maximums provided by Education Council Scholarship funding.
- All tertiary scholarship recipients to be advised that at the end of the 2013/2014 academic year, there will be no additional funding provided for flights, over and above the YNBSP scholarship funding.
- Young Nation Builders Scholarship Programme (YNBSP) recipients receiving both YNBSP and Education Council funding to be advised that it is government policy that students are not to receive more than one source of government scholarship funding, and that steps will be taken to regularize their situation for the start of the 2014/2015 academic year.

“In the instances you are invited to submit written representation to this Ministry on or before 28 October, 2013, as to why these terms should not be adjusted as indicated herein.

“If implemented, these proposals may mean that the funding you currently receive may decrease. Therefore, you may have to seek additional funding, by way of student loans or other means, to cover the shortfall between your scholarship grant and the total expenses for each academic year. It is very important, therefore, that you identify how these changes could potentially impact you and your family and provide a written response to the Ministry on or before 28 October, 2013.

“Please submit your responses to [YNBP@gov.ky](mailto:YNBP@gov.ky).

“Kind regards, Mary Rodrigues, Chief Officer.”

So, Madam Speaker, that is where we are. I was reminded while I was reading that, that there are instances discovered where some scholarship recipients were receiving scholarship money from three sources in government—from the Education Council, from the Young Nation Building Scholarship Programme, from the Ministry of Tourism, or the Ministry of Sports. I don’t think we found any that were actually getting from four. But variations on that theme, some were getting from as many as three.

Madam Speaker, I come back to the point that I made two or three times, now (at the risk of over-emphasising this). When the limited money in the pro-



gramme of the Ministry of Tourism is utilised for someone who is already getting a scholarship from the programme of the Ministry of Education, do we think that that is fair? Especially when there are students waiting who would like the opportunity to go away on a Ministry of Tourism scholarship? But, Madam Speaker, when you view these kinds of issues through the prism of the now Leader of the Opposition, that is all perfectly fine as long as it is the “right people” being the beneficiary of all of these programmes.

Talk about nation building? That has got to be the best example of how to destroy a nation because you are preferring people on the basis of their affiliation [with] and support for you as opposed to what they have worked for, what they have demonstrated they are able to do. So, he may come after I sit down, Madam Speaker, with his usual rant. But facts are stubborn things. And I have laid those on the Table of this House.

The last thing I am going to do (and do with some reluctance, but do it I will), is to lay on the Table of this House the list of all the recipients with the amounts of their grants. And let all who wish to do so examine it and determine themselves whether or not the action that has been taken by the Government is unfair to those involved. The Government is not insensitive to the fact that these are young people with aspirations and drive and determination. And that is good. We do not want (and that's why we have taken the approach that we did) to simply cut off the funding this year.

We want them to continue. We want to encourage them, and we want to assure them of Government's continued financial support on the same basis that all other students get support. But we cannot continue a system which [was] not based on merit but [was] simply based on how well you knew the Premier determine whether you got a scholarship and how much you got. That cannot be right. And this Government, Madam Speaker, whatever beating we continue to take about it, will not accept that that is right no matter how many times the Leader of the Opposition says so, and no matter how loudly he screams it from whatever pulpit he happens to be in.

Madam Speaker, I am really sorry that we have wound up today on this unhappy note, because the Strategic Policy Statement actually seemed to be quite well received by all in this House. It is most unfortunate that the Leader of the Opposition has chosen to spoil what would have otherwise been a very good day by introducing this most controversial and unhappy subject.

If I may have one moment to confer with my Minister, Madam Speaker.

[Pause]

**The Premier, Hon. Alden McLaughlin:** Thank you, Madam Speaker.

**The Speaker:** The question is: Be it now therefore resolved that the Legislative Assembly approves the policy priorities, aggregate financial targets and financial allocations set out in the 2014/15 Strategic Policy Statement as the indicative parameters on which the 2014/15 Budget is to be formulated.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Government Motion No. 2–2013/14 - The Strategic Policy Statement for the 2014/15 Financial Year passed.**

**The Speaker:** Honourable Premier, can I have a motion for the adjournment?

**Hon. W. McKeeva Bush, Leader of the Opposition:** Madam Speaker, I think I indicated earlier that I wanted to make a personal explanation.

[Inaudible interjection]

**The Speaker:** Do you have it with you?

**Hon. W. McKeeva Bush, Leader of the Opposition:** Yeah, well I've been here long enough to know that too.

[Inaudible interjection]

**Hon. W. McKeeva Bush, Leader of the Opposition:** You think you're the only one who has been here long enough. Half-cocked stories can't hold water.

[Inaudible interjection]

**Hon. W. McKeeva Bush, Leader of the Opposition:** That wouldn't be the first one that I got from him.

**The Speaker:** Honourable Leader of the Opposition, I have granted consent in accordance with Standing Order [31], after having read the brief statement.

Please proceed.

## PERSONAL EXPLANATION

[Standing Order 31]

### YOUNG NATION BUILDERS SCHOLARSHIP FUND

**Hon. W. McKeeva Bush, Leader of the Opposition:** Thank you, Madam Speaker.

In regard to the Standing Order which you have given consent under, in regard to matters raised by the Premier, that there was no committee in place to deal with the Nation Builders Scholarships and that I, as the then Premier, was dealing solely with the applications, the facts are as follows: There was a committee consisting of three persons dealing with the scholarships, consisting of staff: Ms. Patricia Ulette, Ms. Judy Powery, and Ms. Sade Wood, who was also the Administrator. Their work was referred to the Chief of Staff.

My involvement and scope as Minister was that applications for scholarships which required extra funding were referred to me for final approval of that funding, particularly bearing in mind to make the Nation Building budget to go as far as possible to help as many applicants as possible. That was the extent of my personal involvement.

There were students whose college and whose course or degree took more funding than others and we had to make a decision on how their education would impact the good of our country.

Madam Speaker, there is much more I could say, but that's where I want to stop at today. I will have more answers for the Premier's half-cocked stories. Thank you very much, Madam Speaker.

**The Speaker:** Honourable Premier, may I have a motion for the adjournment?

**The Premier, Hon. Alden McLaughlin:** Madam Speaker, before I move the adjournment, I wish to indicate to Members that you and I are in discussions about a legislative calendar for the rest of this legislative year, and that as soon as we have concluded those discussions, we will publish the legislative calendar to take us through until the end of June next year.

But I also wish to indicate to Members that I propose to call the next meeting, to ask the Speaker to call the next meeting of the House for 9 December, and that we would propose to deal at that time with the National Conservation Bill, among other pending legislation that is there that has met the 21-day notice requirement under the Constitution.

## ADJOURNMENT

**The Premier, Hon. Alden McLaughlin:** Madam Speaker, with those few words, I move the adjournment of this honourable House sine die.

**The Speaker:** Thank you, Premier.

I received a request earlier on during the course of the day from the MLA for the district of East End to raise a matter of national importance on the adjournment and consent was given. So I call on the Member for East End at this time.

## RAISING OF PUBLIC MATTER

*[Standing Order 11(6)]*

### POLICING IN THE EASTERN DISTRICTS

**Mr. V. Arden McLean, Member for East End:** Thank you, Madam Speaker.

Madam Speaker, Pursuant to Standing Order 11(6), I, the Elected Member for East End, V. Arden McLean, sought and received your permission to raise a matter of Public Importance as follows:

During Finance Committee, specifically on October 18, 2013, the Member for North Side and I implored the Government to strengthen the police complement in the Eastern Districts, i.e., Bodden Town, North Side and East End, by increasing the number of police in the communities.

In response to our request the Premier asked for the Members of this House to exercise patience as the Government was dealing with the increase criminality in the country.

Madam Speaker, that request was made one month ago. Nothing has changed; to the contrary, things seem to have gotten worse. Madam Speaker, the citizens of the Eastern districts are being held ransom by deviant behavior. In North Side, homes are being burglarised to the point where at least four residents are considering selling their homes after they have been broken into up to four times in three months.

Madam Speaker, the deviant behavior is no less prevalent in the district of East End. Residents are becoming prisoners in their own homes. I, like the Member for North Side, have become overwhelmed by the representation from our constituents. In addition, the residents of Bodden Town and the surrounding communities are also expressing concerns about their safety.

Apparently, the Police Service feels the need for additional policing in the Eastern District is not warranted based on crimes reported. Madam Speaker, the reason the data reflects low crime, is because people do not report crimes committed. In more instances than not, police do not respond and when they do, nothing is done—no follow-up and no charges brought against the perpetrators.

Madam Speaker, another source of frustration is that when our constituents call to report crime they are told to either call the Police Station in George Town or 911.

Madam Speaker, the lack of police presence in these constituencies is the cause of such behavior in our communities. Madam Speaker, the people can no longer wait for the fulfillment of promises made. They are demanding more police and pro-active policing in their communities. Madam Speaker, we are concerned that our constituents are so frustrated with the lack of security that they are prepared to take matters in their own hands.

Madam Speaker, this matter is of utmost importance and we are hereby requesting the Government to reassure the people that the matter of additional policing is being worked on and when they, the people, can expect to see results of additional police in the eastern districts.

I thank you, Madam Speaker.

**The Speaker:** Honourable Premier, under the procedure and customs and tradition, normally you are given 20 minutes. I am not suggesting that you take 20 minutes at quarter past five, but that is the ambit in which you have to operate, Premier.

**The Premier, Hon. Alden McLaughlin:** Madam Speaker, I do wish that the Members concerned had given me the courtesy of advising me that they intended to raise this matter. I would have been able, perhaps, to be more fulsome in my response.

But what I can say, the reassurance I can give them is that the matter is being addressed. I have discussed this at some considerable length on more than one occasion with Her Excellency the Governor. We are conscious, and I certainly am of the same view of the two Members from the eastern districts, that we do have to provide greater police presence in those districts, and that we do have to be able to respond more effectively to what is transpiring there.

The peace of mind of the people who reside in those districts must take precedence over other considerations. I am aware that it is four weeks since I said what I did in Finance Committee, and that the matter still has not yet been addressed. But I wish both Members to know that it continues to be at the forefront of my mind and that we are going to address it, I hope to their satisfaction.

What I will propose is that when we have reached a point where I think it makes sense, I would want both of them to sit around the table. There is no point in me inviting them around the table to go round and round the mulberry bush, as they have done many times with the Commissioner over this issue. So I want, when we do have that meeting, that there is a real result that we can look forward to.

So, Madam Speaker, I take on board fully what the Members have said, and the Government, myself and Her Excellency will do our very best to ensure that the concern is addressed as swiftly as we possibly can. We are traveling this week coming, but that way I will have access to her perhaps more readily than I do now that she's here. I do hope to progress the issue during this trip.

**The Speaker:** The question is that this House adjourns sine die.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**AT 5:18 PM THE HOUSE STOOD ADJOURNED SINE DIE.**

