

**THURSDAY
30TH MAY, 1989
10:05 A.M**

MR. PRESIDENT:
prayers.

I will ask the Third Elected Member for George Town to say

PRAYERS

MR. TRUMAN M. BODDEN:

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, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales, Diana Princess 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 Members of Executive Council and Members of the Legislative Assembly that they may be enabled faithfully to perform the responsible duties of their high office.

All this we ask for Thy great Name's sake, Amen.

Our Father, who art in Heaven, Hallowed be Thy Name, Thy Kingdom come, Thy will be done, in earth as it is in Heaven. Give us this day our daily bread: And forgive us our trespasses, as we forgive them that trespass against us: And lead us not into temptation; but deliver us from evil: For Thine is the Kingdom, the power and the glory, for ever 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 His countenance upon us and give us peace now and always. Amen.

MR. PRESIDENT:

Proceedings of the House are resumed. Private Member's Motion No. 11/89, Referendum Law. Debate continuing. The Third Elected Member for George Town.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 11/89

REFERENDUM LAW

(Debate continues thereon)

MR. TRUMAN M. BODDEN:

Thank you, Mr. President.

Yesterday when we adjourned, I had started setting out the reasons for having a Referendum Law. I was developing the argument at that time that basically the people, having put us in the Legislative Assembly, have a right at times to give us directions on how we should deal with major national issues. Secondly, if the process is put into effect, fewer mistakes will be made by this Honourable House because, after all, we do represent the people and we should never feel that we cannot humble ourselves and ask for guidance. No one is perfect. This would be in a very limited way and dealt with only on major national issues.

I want to move on to point out that all we are asking for is a Select Committee comprised of all of the Elected Members with the Second Official Member appointed to make recommendations on a Referendum Law. It is no more than that. In other words, is this a topic that is important enough to be discussed by Members of this House and looked at in depth?

We have made up Committees ranging from the Protection Law Amendments Committee, the Elections Law Committee, and Committee on the Abortion Law. In my opinion, some of these issues were not major issue as this one before us. I think this House should regard the people who elected them as being sufficiently important that their rights to speak on major national issues is one which should be looked at in depth by a Committee.

Mr. President, whatever that Committee comes up with may well limit this. For example, an issue such as constitutional change. If it is the wish of the House, then I can accept that. I would never want to do anything that is going to put a chain around the neck of this Legislative Assembly by having a referendum called by a few Legislative Assembly Members or the public. What I envisage, and if the House is prepared, in those areas it could either be done in Committee to limit this to a constitutional change only, and it could be limited to a resolution of this Honourable House. However, I believe their rights are important

enough to be looked at in depth in a Committee. I would like to deal with the precedence for this in other countries because, while the referendum is well known to the United States Federal System, it is not that well known to Commonwealth countries. I make that admission.

Where it is well known and where there is precedence in other Commonwealth countries there are on changes of the Constitution. You find countries many times that will entrench in their Constitution that the Constitutions may only be changed by a referendum of the people. It is done in different ways. For example, in Australia one of its Constitutions had in it that it would be passed in the House by a two-thirds majority. Then within three to six months, one went back for a referendum on the issue. This is important because when the issue becomes major, then it should be dealt with in one of two ways: either on a general issue in an election or a specific issue. People would stand up and say what their position is on the major issues.

Alternatively, if it is coming between elections, a referendum is (in my view) the approach which should be taken. The people only have a right to speak once in every four years, when they go to the polls to elect the Members for this Legislative Assembly. Many things happen in between. What I am trying to say here is that we ensure that major national issues go back to the people prior to the meeting of this Honourable House to put that major issue on the people.

I will be talking substantially in my debate and in winding up in relation to the major issue because it is the one we do have and that is constitutional change. I will use that because I think everyone accepts that as a major national issue.

The United Kingdom has no Constitution, as it is well known and they have only used a referendum once. That was done on a question relating to the common market. At this stage I do not want to go into any depth on that, but I would like to read a very short piece in which this came about. This was a specific Law passed, to deal with a referendum on questions within the common market. This was dealt with through a Law that was passed in the session beginning in 1974. It said:

"After the general election of 1974, there was some fundamental re-negotiations of entry into the common market. Then the Prime Minister, a year later, the results were recommended to the country in a Government White Paper and the Prime Ministers speech to the House of Commons on the 18th of March, 1975. As promised the Government proceeded to organize a referendum. However, it was merely consultative of the matter, irrespective of the vote being settled by Parliament. In this case, the referendum itself did not as such bind the Parliament."

That is one approach with Constitution change in countries that have these entrenched, and it does bind the people in the Legislative Assembly.

However, what I am seeking here would have followed along the line of this and it would have been guidance to Members of this Honourable House. The Law itself was the Referendum Act of 1975, and it set out in a brief form that basically, a vote would be taken, and it sets out the ballot paper and the question which was just a yes or a no. It was a very simple procedure. The other area where you may find this is, for example, in the older Constitution of Australia. I am using this from a book of some age because they were once a colony of Great Britain and then moved to be a Commonwealth country:

"The Constitution of the Commonwealth contained in the schedules of the Commonwealth of Australia Act of 1900, and may be amended by a law which has received the approval of a referendum of a majority of the voters of the Commonwealth and the majority of electors in a majority of the states.

The Constitution itself, it will be seen by this procedure may be altered without the consent of a specific state, no alteration may be made affecting the proportioned representation of the State in either House of Parliament or altering the boundaries of a state with out the consent of the majority of the Electors in that State."

They went somewhat further to entrench beyond the change of the Constitution certain things relating to the Election Law so there could not be alterations of boundaries. I think the classic statement on referendums is set out in Roberts-Wray, *Commonwealth and Colonial Law*. That has a very short, but very effective paragraph. It says: "...**Submission to popular vote prevents hasty action.**" That is the theme of what I would like the Members of this House to look at: submission to popular vote prevents hasty action. I know this has been looked at before. I want to draw the distinction between what I am trying to achieve and what came before this Honourable House on 6th March, 1986. It was a Motion that set out in considerable detail the rights of the people to call a referendum in instances where there was a petition by the majority of registered voters, or by a Motion in the Legislative Assembly. The machinery itself was not limited to major national issues. This is the main distinction that I find. I tried to set out the procedure being a period of 90 days to bring it in.

This is very clearly something which, quite frankly, could have somewhat restricted the Legislative Assembly. I am not here trying to promote anything that is going to be a restriction to this Legislative Assembly on issues which are not major. That is why I kept talking about constitutional change as being a major issue, because that is an accepted major issue. In any event, I would hope that no one in this Honourable House would ever attempt to change it. I believe the United Kingdom would have certain supervisory powers in certain procedures on this. I accept that, too, as a built-in check to see that it would never be done through hasty action (as Roberts-Wray points out), or without a full and proper consultation of the

electorate.

What was dealt with some years ago is totally different from this. There may never have to be a referendum in the life of the Legislative Assembly, but if an issue such as constitutional change arose I would expect if it was not made an issue in the General Election, we should go back to the people for a referendum.

Now, the Members in this House have at one time or another referred to where a referendum may have been good. This, oddly enough, was something I found when dealing with the Motion in 1987, relating to the office of Speaker. This was written under what Mr. Linford Pierson (who was a Member for George Town) said at that time. It was on page 27, 12th February, 1987, *Hansard*. He said:

"So I have a good idea on how they feel on matters, and I would say here and now, that if a referendum was taken tomorrow to decide on this issue, and the people knew there were capable Caymanians who could handle the position, that they would support it."

If a referendum was taken tomorrow - obviously, there is one acknowledgment from one Member, that a referendum is something that can put beyond doubt a major national issue.

There was a reference by one other Member, which, unfortunately, I have not been able to find. I therefore will not quote that, but it was similar, done obliquely in that context. So we have here an acknowledgment where you have an issue that is major and national, it is so much better to go back to the people and ask for guidance. We should never feel too big to do that.

A lot of talk has gone on about nationalism. Let us see exactly where that nationalism now lies, because that very strongly proposes that you remain close and take the guidance of the people of your constituency as the electorates of the three Cayman Islands.

The Motion itself is, to me, one that is very important. I believe the Members of this House should regard the rights of the people of this country enough to look at it in a Select Committee; in fact, as we did on the Abortion Motion. If necessary, people could be invited to give their views. It is then up to the Committee what it wishes to recommend. The majority there may recommend that nothing be done, or they may find it should be restricted to constitutional change; they may find that it should only be a consultative process. They may well find that it should only be triggered by a resolution of this Honourable House. In that simpler form I would find it very difficult to understand why the people of this country are not regarded as sufficiently important so that they should be given that right.

In summary, I want to make these following points: This resolution merely calls for a referral to a Select Committee, it does not call for anything beyond that. Secondly, I believe the people of this country should be sufficiently important. They have put us in this Honourable House, so we should look for ways to seek their guidance on major national issues. Thirdly, it differs considerably from the resolution in 1986, which was trying to impose specifics on this Honourable House. Mine only calls for a Committee to take the time to look at the Law. Also, it is not limited to major national issues. Fourthly, I believe there are times where we have seen in this Honourable House that the views of the people of the Cayman Islands can definitely give guidance to this House. This is so necessary in ensuring that any major national issue is done in accordance to the wishes of the people who have put us in this Honourable House. In that light it can relieve this Honourable House of a lot of conflict and time which could be spent trying to figure out what the people really want.

I read from the Commonwealth and Colonial Law, and I quote: "**Submission to popular vote prevents hasty action.**" Major national issues should never be the subject of hasty action. This is a process that would slow down any major issue until it could be thoroughly and properly debated.

Lastly, if this resolution is passed, my main aim in seeking it, would be to have major national issues considered, and if that issue was limited to constitutional change only, then I guess I would have to accept it. It could be limited to a consultative process rather than one which is binding on this Honourable House. There is clear authority for it in other Commonwealth countries in which the process for changing Constitutions is within the Constitution itself. Even a country such as the United Kingdom, which is without a Constitution, has had cause (as I read before) to have a referendum. Much was said about nationalism, this is a true test of it.

Are we in here to take the advice from members of the public, voters in the electoral districts, on major issues? Or do we believe that once we have come in here, we are so big that we can never humble ourselves to ask for guidance? In life generally, we must listen to people; we must learn to take advice before we can give orders. Without that, many times we could make decisions that could hurt the country.

So, Mr. President, I am asking this Honourable House to look at this resolution as a mild form of giving the people of this country the right before the four years are up, if there is a major, national, specific issue which has not been dealt with in a general election, so the guidance of the people who put us in here can be taken on it. I feel that is not asking too much. After all, the people have put us here, and I believe at times they have a right to give us directions on where we should go on issues which are major.

Lastly, it will ensure that submission to the people will prevent any hasty action on a major, national issue. Thank you.

MR. PRESIDENT:
Honourable Member for Education.

Does any other Member wish to speak? [pause] The

HON. BENSON O. EBANKS:

Mr. President, I rise to oppose this Motion. In my opinion, Government by referendum would cause enormous disruption to Government and the community, as well as upset business planning. In my opinion it would also prove to be enormously expensive. The Member presenting the Bill mentioned the referendum held in the United Kingdom in 1975, and I will also deal with that referendum and show that considerable expense was involved. The point is that any government proposing to put an issue before the electorate for decision by referendum will have to be extremely and meticulously careful to ensure that all the pros and cons which are relative to the issue to be decided have been fairly and squarely placed before the electorate.

In the case of the referendum in the United Kingdom in 1975 to decide whether the United Kingdom would remain in the European Common Market, the two major parties who held opposing views were each given 125,000 pounds from public funds to ensure that the issues were placed before the electorate. In addition to that, there is always the expense of holding the actual referendum, which is every bit as expensive as a General Election. I believe if more research were done it would be found that a second referendum was held in the United Kingdom in the 1970s as well. But, they have all been held under specific Laws for the referendum to be held.

There is no Standing Referendum Law in the United Kingdom. As the Mover pointed out, it has to be noted that both of those referendums were merely advisory and the final decision rested with Parliament. So, all of that money could have been spent to no avail. In fact, referendums are not common to the Westminster style of Government, which is the Mother of Parliament. While this system is not perfect it is the best we know, and we would do well to follow it until such time as we discover something better.

Elections are held in these Islands every four years. It would seem to me that to have machinery to hold referendums more often is totally unnecessary. It is clear to me that while this Motion says that it is intended to give the people of the Cayman Islands the right to vote on major national issues only, that is not the way it will work in practice. The Mover has said that if this Motion were to pass, he would foresee legislation being put in place and machinery set to be triggered either by a resolution of this House or by a majority of people on the voters list or the famous Caymanian petition which, at best, would be dubious and would, in my opinion, lead to chaos. I believe if we were to place this Law on our books, we would have cause to have a referendum several times within every Parliamentary session. In my opinion, this is unnecessary and would be intolerable. It would cause Government to grind to a halt and prevent any work from being done and would, therefore, adversely damage our economy. Every issue would become a major national issue.

I agree with the Mover that one of the few, if not the only, issues which I could see a Government putting to a referendum here would be a move for a substantial Constitutional change. I am of the opinion that the best way to handle that would be for the issue to be debated at a General Election which would have no added extra cost to our constituents. I am fairly certain also that the United Kingdom would not accept a move for substantial Constitutional advancement without it first being satisfied that the matter had been thoroughly canvassed by the electorates. I cannot see such a move becoming necessary between General Elections.

If some emergency in this regard did arise, I believe the way forward would be to have the issue taken to the people by way of a new Election issue and seek the mandate in that way; at least in that fashion the country would be spared the expense and further inconvenience of another General Election for four years thereafter. I think I should point out that our four years for a parliamentary term must be among the shortest in the Commonwealth. Most countries that I can think of usually have five years.

The Mover mentioned the use of the referendum in Australia. I think it would be of interest to note that the referendum held there in 1984 had as its main thrust the view or object of effecting changes to the Constitution to cut down on the number of elections and referendums, not to increase them, because of the sheer expense and disruption to the Democratic process which they cause. Prior to 1984 the Federal Parliamentary Elections were held at different times to the State Parliamentary Elections. That referendum sought to have the elections for state and federal parliaments held at that same time, as I said, for the simple reason to cut down on the number of elections. It would seem to me that we are now trying to introduce legislation to provide Government with referendums when it is being looked at with less favour in those countries which have used it in the past.

I also believe the most telling statement of why we do not need this Law which is being proposed by this Motion was made by the Mover himself when he was debating the Motion yesterday for the Office of Speaker. He said at that time he was certain a majority of our people did not support that Motion. If he was certain on that issue without the referendum, then I fail to see why we need it. The Member obviously is able to read his constituents' minds by moving amongst them and gathering their opinions in that way.

It is popular and arguable, as the Mover of this Motion has done, that it is a good idea to go back and canvass the peoples' opinion more often - not just on Election Day. There is nothing wrong with that in my opinion, as long as it is done on a voluntary and need-to-know basis. But to have Government by referendum is not, in my view, in keeping with the best tradition of representative Government.

I was interested in the quote used by the Mover of this Motion, that is, 'submission to popular vote prevents hasty action.' But, he did not really finish the quote as I have read it. It has another part, or at least the version of it which I saw, which says; "**Submission to popular vote prevents hasty action, but it does not necessarily afford protection for minorities.**" This is so, because the outcome of a referendum can be influenced in many ways, such as the way a question is worded, or even by the date which the poll is held. A referendum is not always dead accurate as to the feelings of the people, and that is the total population. Some people do not even bother to vote in a referendum.

It has also been said that referendums are used in totalitarian countries to provide support for the policies of the ruling party. A good example of this was in France where

General De Gaulle used a referendum to maintain his personal supremacy. In the two referendums I referred to, which were held in the United Kingdom in the 1970s, it was interesting to note that they were both held for the convenience of the Labour Party, by the same party.

This Motion does ask only that the House form a Select Committee to look into this to make recommendations for the Law, but, as I said, the Member in his submission yesterday made it quite clear the way he saw the final outcome of this exercise, that legislation would be put on the books for machinery to be set up and to be triggered by a Motion of this Legislative Assembly, or a request from a majority (or thought majority) of the people on the voters list. In my opinion there is no difference in the Motion which was before the House in 1987.

I believe that any Government will always try to keep the electorate informed and to gain their confidence and views as they progress in their term of office. I do not believe that seeking referendums on what are perceived to be major national issues is the best way forward, and for that reason I cannot support this Motion, Sir.

MR. PRESIDENT:
Member for West Bay.

Does any other Member wish to speak? The Third Elected

MR. JOHN D. JEFFERSON, JR:
calling for a Referendum Law.

Thank you, Mr. President.
I rise to offer my support of Private Member's Motion No. 11/89,

I feel the Mover was very specific as to his intentions in that it would only be triggered on major, national issues. I do not think we, as representatives, should ever feel that, at all times, we know the wishes of the people who elected us, that we, in all cases, know what is best.

There is an attitude among some of us and I have heard the argument that the people have Elected us as their representatives and expect us to come in here and govern and direct and run the country. Whatever decisions we make, our people will support it and will recognise it as being in their best interests. I do not know how other Members feel but my attitude is that I can always learn. I am subject to making errors in judgement. I think the idea of a Referendum Law only ensures that whatever decisions the representatives make have some input of the true feelings of members of the public.

I think we recently saw, vividly, how the general public felt on a major issue. That was the issue of abortion. I would have supported the idea of a referendum dealing with an issue like this. I think we would have saved some time if this particular venue was opened to us, as representatives.

There are other major national issues which will come to this House. They must come. I think it is only fair for us to get the true feelings of our people when these major issues are being discussed. If I may be permitted, I would like to read some excerpts from the *Caymanian Compass* on Friday, the 19th of May, 1989, on this subject. The title of the editorial is Democracy in Action. It says:

"...Democracy is a continuous process that involves all the people of a country all the time.

For the system to work well, the public needs to be aware of developments, of decisions being shaped, and policies in the formulating stages, and they need to be willing and able to speak up and take action when necessary.

There should be continuous exchange of information and feedback between electorate and representatives.

It would sit well with Cayman's history of democracy if machinery to allow referendums were introduced and eventually used. There are issues where comprehensive, direct input from the whole population would be desirable....

A referendum would produce incontrovertible evidence of public opinion and put any doubts in that respect to rest.

This would in no way detract from the powers and responsibilities of the Elected representatives. Rather, it would enhance their standing when they can base decisions on far-reaching importance on direct and comprehensive feedback from the population."

I support that view and I see no harm in having a Referendum Law that will allow our people to have some say on major national issues.

So, Mr. President, I support the Motion.

MR. PRESIDENT:

The Honourable Member for Tourism.

HON. W. NORMAN BODDEN:

Mr. President, I rise to oppose Private Member's Motion No. 11/89, calling for a Select Committee to make recommendations on a Referendum Law. The Motion claims the number of important issues affecting the country are increasing. There have always been (and I am sure there will continue to be) important issues affecting our country. This is so, but it does not necessarily indicate the method

for dealing with them, from the Government's and public's point of view, should be changed. Not for us in the Cayman Islands.

I do not believe that the handling of any important matter critical to the well-being of the country can be blamed on not having a Referendum Law. What we have always had, and will continue to have, is a situation where people are for or are against any particular issue. In the majority of instances, the position taken by some people is purely on political grounds, not what in truth and in fact is good for the country.

Then, of course, there are persons who will go around lobbying support for their views - in many instances misleading and misinforming the public. These types attempt to dictate and take the decision out of the hands of the duly, democratically elected Government.

If a Referendum Law could do away with this type of individual I would vote for it. Unfortunately, these types will be with us - individuals whom the voting public would not elect and yet they have the ability to stir the pot and create upheaval and mischief. A Referendum Law, to my way of thinking, would be right up their alley. I am sure that is what they want to see happen in the Cayman Islands.

As far as I am concerned, the people of these Islands have always had a time-tested, practical and effective means of communicating their views to their Elected representatives. This has not changed. It has always been my experience that when any matter of significance and importance has been raised, those Caymanians who are interested in the affairs of their country will leave no doubt in anyone's mind as to where they stand on the subject. This has been done through public meetings, individually written letters to elected Members by concerned citizens, telephone calls, petitions and, even though I do not like see it, peaceful demonstrations. Then, too, important matters have, by Elected representatives own volition, been taken to Select Committees where the general public has a chance to give their input.

I do not see the need, nor what useful purpose a Referendum Law would serve our country other than to obstruct. It is claimed that petitions do not work. They certainly work when the majority of the people support them. But many times in the past some petitions did not get the full support of the majority, and this is obviously the reason why they failed.

Of course, there is the situation where the Elected Government's views differ from the public's - in some cases simply because Members have information at their disposal that, for one reason or another, cannot be made public knowledge. So, in the final analysis, the Elected representatives of the people have to take a decision they consider to be best for the country. Rightly so, because, after all, this is what I believe is expected of us.

Is this not what the system of representative Government is all about? I, as well as all other Elected Members of this Honourable House, was elected and operate under these conditions. It must be decided whether we are going to continue to handle the affairs of this country accordingly, or whether we are going to have this proven and acceptable style of government to which we are accustomed, placed in jeopardy - in other words, whether we will continue a representative Government or Government by referendum.

Before I can give my support to such a suggestion, I think the petition-pushers of the past should once again petition. Then that would indicate whether or not the majority of our people support a Referendum Law or not.

Incidentally, I am wondering just how the Mover decided this is what the people want at this time? What method did the Member apply in this case to establish his position on this important matter? As I said to an earlier Motion, I am not one who believes that we should follow everything that is done by many other foreign countries. Because something works for others, does not mean it will work for us, or that it is even necessary for us. Mr. President, I am glad I can read so that I do not have to believe everything I hear, and also that I have the ability to examine both sides of the coin.

Several excerpts from documents were read this morning by the speakers before me. I have an excerpt from a highly respected and reputable document which was loaned to me by one of my friends. I think it is an excerpt from *British Government and Politics*, by Mackintosh. I think the Mover did say it was not the most popular thing in Britain, but I would like to read an excerpt from this as well:

"It may be argued that it is a good idea to ask for peoples opinions more often. The formal participation in the processes of democracy should not be restricted to Election Day. Nevertheless, Government by referendum is incompatible with the theory and practice of representative government. Not everyone can join in the making of decisions, even major decisions. It is not practical. So, communities chose spokesmen to represent them. They are chosen largely because of their views but also because of their personal suitability. The elected representatives can then devote their time to the study of public policy and their accumulated knowledge and experience should help them carry out their duties wisely. One expects the average member of parliament to be better informed than the average voter. The referendum concept seeks to bypass the elected representatives."

Mr. President, we are a small country with different political affiliations than others; different traditions, temperament and style. Whatever is done must be what is tailored to meet the needs of the Cayman Islands. I believe there are many other urgent needs we have to which the attention of this House should be addressed rather than this.

I am not attempting to revive the debate on a matter which the House has already made a decision, but there were several developments in the House during this meeting which

makes the call for a Referendum Law seem to be a farce when what I consider to be serious changes were made in a matter of minutes with no publicity and no input of any form, or consultation with the general public.

In conclusion, I would draw a few lines from a quote that I once read: "If the people be governors, who shall be governed?" This Motion is unnecessary and I do not support it. Thank you.

MR. PRESIDENT:

Proceedings are suspended for 15 minutes.

AT 11:14 A.M. THE HOUSE SUSPENDED

HOUSE RESUMED AT 11:43 A.M.

MR. PRESIDENT:

Proceedings are resumed.

Private Member's Motion No. 11/89. Does any Member wish to speak? The First Elected Member for Bodden Town.

MR. ROY BODDEN:

Thank you, Mr. President.

I would like to begin by expressing three cases concerning referendums which are documented. Having done that I will go on to specifically address the Motion because it will affect us in this territory.

The first incident has to do with what happened next door to us some years ago, when there was a move to remove Jamaica from the Federation in 1959 to independence. The leader of the party in power at that time, being very popular and having a majority, thought it was wise to call a referendum to find out exactly what the people wanted. He was warned against it by the Leader of the Opposition, in the good old West Indian colloquialism; "The same knife which sticks the sheep, will stick the goat." He refused to take the warning and went on to lose the referendum and lost forever, historically, his opportunity to lead the country. As a political leader he went into oblivion after that. So that is one case against referendum.

The second incident I remember was while I was in graduate school. We had a text called, *Participatory Democracy*, and the author suggested that the euphemism of participatory democracy was used in Yugoslavia (because the case study was built around the Yugoslavian Communist Party). They tried to fool the people when they had referendums so that they thought they were participating and that their opinions would have been included, when all the decks were stacked and the party always carried the majority.

The third is more recent. Just last year Augusto Pinochet, of Chile, in an attempt to extend his tenure, prepared the nation and dressed them up for a referendum. When the result came out, they voted overwhelmingly against his remaining tenure. He, however, suppressed the results and today we have Pinochet still head of the Chilean Government.

Now, closer to home, it would be an unwise politician who would not take the wishes and concerns of his constituents into account. I refuse to believe that any politician here would be so arrogant, or so foolhardy as to believe he could take the liberty to decide a serious issue.

I am going to define what I call a serious issue: Constitutional change without going to his constituents and finding out what their position(s) are, that politician would be suicidal. I can say without a doubt that there are no politicians inside this House who would be prepared to take that liberty. So that should allay such fears.

We have Elections here once every four years. If it is the concern of the Mover and the Seconder of this Motion that an issue as important to our future as constitutional change could escape the popular will, then I need only say that Whitehall would not tolerate any politicians coming to them, except the issue of constitutional change was a national issue - that means an issue of every politician in the Election who claimed a majority. So we need not worry about a small group of people taking us away, when we do not want to go away.

My fear is that a referendum could be organised so that it could be more of a nuisance than a benefit. I have seen trends in the past in this country where a minority of people were able to whip up the emotions and opinions of their followers to do the bidding of their group. I would be concerned about that. It has happened in the past and it could very well happen again.

I would like to give what I consider, more justifiable reasons in countries where I know referendums are held. They are never held at a federal level. In the United States, there are no such issues which come up that are under a federal ticket. It is always the state, city or county level.

When I was in Canada, in the province of Ontario, there was the emotional issue of making seat belts mandatory, and which was thought of as being so important that it was on the ballot during a Provincial Election. Smoking in public places was another one that I can remember vividly. Otherwise to hold a referendum would be too expensive and would require six weeks for a special campaign, allowing people time off work to vote on this issue.

So, it is expensive and inconvenient and, furthermore, sometimes an encumbrance on the public and private sectors. I would argue that in the case of the Cayman Islands, it would seem almost impractical, except the issue could be included in a General Election on the ballot.

I respect the democratic rights of the Mover and the Seconder to their opinion. I am saying that in our situation it is seemingly impractical, and I am not sure I am convinced it would have the effect they claim it will have. I would be happy to see some definition of what would constitute a major national issue. Would it just be limited to constitutional issues? Certainly, I would say that the abortion issue

was a major national issue.

I heard the Mover mention that this Motion takes precedence over even the Caymanian Protection Law. I disagree with that, I also disagree that it takes precedence in importance over the examination of the Election Law. I would like to caution, too, that not everything that is used and adopted in other countries is suitable for us here in the Cayman Islands. We are small in population (26,000 people according to estimates), is it practical to have a referendum among 26,000 people? Of course, I agree politicians should watch their P's and Q's and they owe it to their constituents to be guided by the wishes of their constituents. Politicians owe it to their constituents to keep in touch, to be representative of the views of those constituents. Is a referendum the only way of doing that? Is it, in our situation, the best way?

It strikes me too, that the promoter had ample opportunity to do this on a major national issue with some of the Bills which were introduced when he was a Member of the political directorate in the past. On an issue like this we need to give much thought. I remain to be convinced that it is the most practical way. If it is the fear, as I think it is, of the Member and the Mover that constitutional change will come and the people will not have sufficient input, then I say their fears are groundless. Events in the past have shown that even if a group rises up with that as their intention, they will have to be very convincing when they go to London, or wherever else they would like to go. Whitehall reserves the right (if there is any question) to find out exactly what the wishes of the people are.

I believe that a Referendum Law will be more of a nuisance in our case than it would be a benefit. As a consequence of that, I cannot support the Motion. Thank you.

MR. PRESIDENT:

The First Elected Member for West Bay.

MR. W. McKEEVA BUSH:

Mr. President, I cannot support the resolution before the House. The last time this resolution was brought I opposed it, although it was a little bit different in that it would be setting up a Committee. I cannot buy the argument the Member has put forward, that this resolution is more important than the two Committees we have been waiting on since February, they being the Elections Law and the Caymanian Protection Law.

The Caymanian Protection Law is very important at this time. I do not think I have to go into the merits of that. People are always talking about it. It is, as far as I am concerned, the single most important issue in this country today. I fail to see the Member's arguments for this resolution he has brought forward. I do not know where he thought it up; the schemes that he brings sometimes could be more important than the Caymanian Protection Law, but as one Member said yesterday, they seem to be missing something.

I have to wonder at times, though, how one can change so quickly on matters. Yesterday the resolution regarding the Speaker's Office was defeated on the basis of cost, among other things. I remember the Third Elected Member for West Bay stressing that issue. He took time to point it out - costs! Yet, today we find the same Member who conspired to defeat the resolution coming here to ask us to go into Committee to see whether we need a Referendum Law. This would take a great deal of time because the Member has not said what we would ask for in the referendum. In trying to decide what we would need a referendum for would, in itself, take a great deal of time because of the nature of a referendum.

I wonder whether these Members have taken the time to realise what it would cost this country to hold a referendum, especially if the Law was made? There may be no end to referendums. Think where it might lead the country. Besides that, there is no guarantee that there would be such a clear majority to convince the Government to change the matter, if it was a matter dealing with policy, or to bring in a matter dealing with some campaign promise. There is no guarantee that if we were dealing with the Constitution or some other thing Great Britain would see it as being a majority. There was once a referendum held in Malta to decide the country's integration with Great Britain. The British Government did not think there was a majority, although the proponents thought so. So, Malta did not get integrated at that time. That is one example.

So we could go into a referendum, spend a lot of the country's money and still not get what we want. There is no guarantee we could get a clear majority in any vote. We have proven this in a recent Election, except that we have the system of first to pass the post, and if you passed one you won. If you have one vote more than the next person, you would have won. But that is not a clear majority. So there is no telling that Great Britain would come back and tell us.

We (as the Bodden Town representative pointed out) are a small country comprised of small communities. We are (some of the Elected Members) in constant contact with our people. Sometimes our people know about a matter at 11 o'clock, if it is supposed to happen at two o'clock. Referendums may work in other large countries where there is big land mass and thousands of miles before you can get from one door to the next. That is not the Cayman Islands. We are unique.

Now, I pose the question some other Members posed: Did the Member go out and find out? Did he go out and determine whether this is what the people want? In other words, we could have a referendum to find out whether we need a referendum. I do not think it would work. I doubt it will work in Cayman.

If the Members who were so strong against the Motion for the Speaker's Office were as sure as he was in debating the Motion, that the people did not want a Caymanian Speaker at this time and he had a majority, then it is my contention if he had that majority he does not need to have a referendum at any time. I believe this is a lot of politics. I think the Members are playing politics. No matter how they put it, that is what they are trying to do - create confusion and at some point, defeat the Government. I say that because if the proposer of this resolution was so strong for referendums... he was in Government for eight years, not just in the House now, mind you, but he was on the Executive Council - the Cabinet of the country, the

policy-making body of the country. In his time, there were far more serious matters than now. They did not do one thing about a Referendum Law. Why did the Members not push for a referendum when they put us wholly and solely, millions of dollars in debt with Cayman Airways? Why did he not push for a referendum then? Why did he not push for a referendum when it was decided by them not to build a West Bay highway, after the 1976 Elections? Why did he not push for a referendum to find out if the Caymanian people did want it? Why did the Member not push for a referendum when they decided to scrap the plan for a new airport which would have cost the country \$3 million at the time, but built one later for over \$9 million? Why did he not have a referendum? Why did the Member not push for a referendum when he was bringing in his famous Law, the Looney Law, as it was called? Why did he not push for a referendum at that time? Why did he not?

Now they come here and talk about their reasons! There have always been reasons to try to get a majority of people in support. We have done that in Elections. We each went into our little communities and talked to our people, just as we stand here in this House and talk; just as I am doing and the people listen, they give us their feedback.

Mr. President, politics is what it is. If he was on Executive Council, he would not say one word about a Referendum Law. There would not be one single, solitary word about a referendum law! Now they want to have a referendum to find out whether a man can park his car going south, or whether you can paint the building white, or whether we can walk on the left hand side or whether we can have Daylight Savings Time. I do not think the Member has any right. I do not. There are no greater issues today than there were in his time.

I think there are politics involved in this. I am not going to support it. This is probably the only time that I will vote with the Government, but I am voting with them to throw this piece of rubbish in the garbage can, where it belongs.

Thank you, Mr. President.

MR. PRESIDENT:

Honourable Member for Health.

Does any other Member wish to speak? [pause] The

HON. D. EZZARD MILLER:

Mr. President, I rise to oppose Private Member's Motion No. 11/89, which calls for a Select Committee comprised of all Elected Members and the Second Official Member to be appointed to examine and make recommendations on a Referendum Law.

This same law was brought by that political group a couple of years ago. I believe it was brought for political reasons then, and I believe it is brought for political reasons today. If we set up a Referendum Law, political harassment will begin on any issue the Government brings to this House - the Opposition will seek to have a referendum. The Mover seems to feel the delay which a referendum would cause would be a good thing in all cases and, therefore, we would get better results or a better decision on any item which is being discussed.

I have always been a person who was prepared to seek and gather as much information as I could on anything before making a decision. I fully realise, however, the utopia of having at one's disposal all the possible, probable and necessary information to make a decision at any one time is highly unlikely. At best, decisions are never perfect, they are usually the result of a choice of some informed, constructive and possible alternatives. I believe the political side of this Referendum Motion goes further than that. This would allow Members to hide from their responsibility for which they were elected and, even more so, to deny accountability for having to make decisions.

If we simply put it out to the public, those few who now take the time to telephone you or to write a letter will get involved in the referendum process. The majority are not going to get involved. They will then be able to say: 'But, we took it to the people and we did what they wanted', irrespective of the consequences.

To say we need a Referendum Law for information only and the results should not be binding... what is the point? The Mover of this Motion had a public meeting in George Town the other night to discuss matters coming before the Assembly. He was bringing this. He had 0.57 per cent (half of a per cent) not of the population, of the voting public in George Town at that meeting. Did that referendum forum give the consent of the majority to bring this Motion? Or should he have taken the point that no one came to the meeting, therefore, he should not be bringing this Motion?

You see, we interpret these things the way we want to interpret them. That is the whole basis in which statistics are created, used and abused, and used to confuse. If he believes, as he has said in moving this Motion, that public opinion on these issues is the end all, if I had a meeting and I felt that way (I have always had meetings before the Assembly which are to inform the public of what I am going to do so they will have a record when Election time comes to vote for me), if three people turned up, and I told those three people, but I did not do it as a referendum; if I had, and I believed strongly in the referendum process, and only half a per cent of the voting public showed up, I would have written and told you, Mr. President, to say that I was sick and I could not attend this meeting.

To say the discussion on the Abortion Law should have been handled by a referendum... I make no apologies for the way I handled it. The public was told by me, in the form of a Government Motion and the debate thereon, as to what I saw as the problem and that I intended to take it to a Select Committee to get public input so that I could make a decision. That process was done. We made the decision. The decision is now before the public and we will enact that decision in September, which is the next sitting of this Honourable House. I believe we got as much or more participation from that process than if we had done it by referendum. We went around and had six petitions. Most of them were instigated by the people who are bringing the Motion for a Referendum Law.

I was told yesterday, on a matter before the Assembly, that to the victor go the spoils. So why are they now trying to spoil the victory by misinforming the public about the importance of a referendum? As the First Elected Member for West Bay said, they will have a referendum next week whether we should have parking spaces around the Legislative Assembly, or whether we should donate it to the public.

As far as constitutional change is concerned, there would have to be an Election. I can tell you now that I will run my next Election campaign in this country telling people there will be zero constitutional change. I will tell them what I believe needs to be done and if they want to vote for me in 1992 they will, and if not I will get back to being a private citizen and let somebody else who can do a better job run the country. As far as I am concerned, I told the people what I stood for in the last Election.

I believe this Motion is trivial. It is my opinion that it does not have the interest of the public at large, nor at heart. I believe it is only designed to by-pass the elected process, the process of Government by Elected representatives and to turn us into delegates who come here and spend time counting signatures on petitions and referendums or paying another officer to punch buttons so we will know how many people voted for this and how many people voted for that. We say, 'Well, that is what we do.' If we are going to run the country like that we do not need to be here.

The public elected us to do a job, we must do the job. We must not hide behind this kind of stuff and make the people believe this is in their best interest, because it is not. I cannot support the Motion. To start with, all the evidence I have seen on referendums tend to favour the status quo. I believe there are going to be many times, and any of those items the Member talked about are going to involve proposals for change.

If it is in the Constitution, there is no point having a referendum on the Constitution to keep what we have. We already have that, so let's keep quiet about it. The only reason to have a referendum is if you are going to propose constitutional change. If he is going to do that, let us be man enough about it to say: "Look fellows, this is what I want to do. If you elect me, this is what I am going to try to do." Let us not hide it and then blame the Government for conducting a referendum, and when an Election comes, you say, 'Uh-huh, I was on the Backbench. I never had anything to do with that part of the referendum, that was a Government decision. They got seven votes.'

I do not believe all these people are really satisfied with the status quo. I think these are just ways of getting what they are not prepared to get up and ask for. I am the kind of guy who asks for it, whatever the consequences. I do not believe in doing things this way. Therefore, I cannot support it.

Thank you, Sir.

MR. PRESIDENT:
would the Mover wish to exercise his right of reply?

Does any other Member wish to speak? [pause] In that case,

MR. TRUMAN M. BODDEN:
raised in the debate. I would like to thank those Members who supported it and thank those Members who sensibly debated the issue.

Yes, Mr. President, I would like to deal with some of the points

There seems to be a lot of confusion. Sometimes that confusion can be self-determined and be brought on to oneself for a purpose. When you do not have anything constructive to say, you create confusion. One of the things a referendum can avoid is confusion, there is no doubt what the people have said.

The Member responsible for Education and also the First Elected Member for West Bay dealt with the question of expense. We have just created a Committee that is going to look at an issue that is going to be very expensive, the Ombudsman. That money is being spent to deal with a single issue. This Motion before us is a major national issue. Surely this country owes it to the people. It is the people's money that is being spent on this to give them the respect and honour which they are entitled to, by spending some of their money towards finding out what they want. Look at how much money is spent in this country and there are times when it is not what the people want.

In any event, the machinery for an Election is in place. We are not creating a new post like an Ombudsman or anything else. I support that because it is similar in many respects to this, that is why I am amazed to see the Mover and the Seconder of that Motion having drawn such a distinction and so worried about the expense.

I was relieved to hear the Honourable Member responsible for Education state that before there is any major or substantial constitutional change, it will be made an issue in the General Election. Quite frankly, if the will of this House is that major national issues are made issues in a General Election, I have no quibbles about that at all.

But what worries me is that one good morning the people of this country are going to wake up and find that a major national issue has moved through this House with very little public debate. They could well be stuck with something which, if they had a right to give their opinion on, and if there had been the time to air it publicly and take their views the damage would not be done. Once the damage is done there is no way of reversing that type of damage. You can try but it only worsens it.

Say whatever one may say, I was heartened to hear the First Elected Member for Bodden Town say that if there was going to be constitutional change, he would go and find out what the feelings of the electorates were.

The Honourable Member for Tourism posed a question. Even though at the time it sounded somewhat funny, it does strike at the very heart at what we are doing here. He said

there are other ways of finding out what the public wants. These included things such as petitions, and the like. But he admitted (as does every Member of this House) that this method of public meetings, whether mine or those of the Member who is responsible for Education, are inaccurate. A petition, or anything of the sort, whether for demonstration, public meeting or whatever, has too many inaccuracies in it. I will agree with them, but this strengthens the fact that when you have the public out there on a referendum or in a General Election, that is the least expensive place if the Members are prepared to abide by that. If I have the feeling that major national issues are going to be debated in an Election, I have no problem with it.

As this House gets more new Members we suddenly find major national issues which were feared to even be looked at in the past now coming forward. That is why it differs now, considerably, from the House some years ago. These Motions are put forward sometimes without public consultation which is so necessary to the process. During the eight years I sat in the House no question ever came up on matters such as an office for a Speaker or otherwise. No motions were put. But look at where we are going at this stage. Let me just exercise a bit of caution here now, because I do differ from some of the younger Members in this House in that I am conservative. The difference is that I have been one of the people from my generation, and others from older generations, who have helped to build this country. I have not inherited it. One plays fast and loose at times when one inherits something rather than one's putting out the sweat to build it.

I am now seeing issues coming here that we had no fear about, as could very clearly be seen. The Constitution has been on the books since 1972 and there has been no advancement whatsoever. The Motion on the Speaker's office is the second one in two or three years. Nothing has happened since 1972 and 1986, so I have cause for concern.

While I am in this House as a conservative, I am going to look very carefully at any major national issue that comes here. But I know there are going to be times under this democratic process in this House, when I will be in a minority. There are times when the slowing down process to expose issues to the people is going to become crucial. I am not afraid of that process. They are talking about politics and democracy and this sort of thing, I feel one of the reasons why this Motion has been opposed is because we are going to see between now and the next Election, some of the major issues that this country may well see. It will be unfortunate if the proper consultation is not carried out.

The Member for Tourism mentioned that perhaps when the time arises there should be a specific Law, as was done in Great Britain, to find out what the people want. I admit, if I can get assurance that before a major issue is going to be put to the vote in this House, if there would be a specific Law to put it to the public if it had not been dealt with in a General Election, then most of my fears would be allayed. I believe we are only paying lip service, rather than being prepared to humble ourselves and take the directions of the electorate on these issues.

I think when the Member for Bodden Town gave the examples of Jamaica and Latin American countries doing a referendum (which came out against the people who put it) is really the reason for it. That points out very clearly that those in power, or anyone on the Backbench, may not necessarily know the views of the majority of the electorate.

The Member for West Bay read a passage that the referendum may not protect minorities. In a democracy, sometimes a minority's views may not be protected. But what we have to protect are the majority views. That can only come, especially when you are coming some years after a General Election, where it has not been made an issue, can only come from the people themselves.

I cannot agree with the First Elected Member for Bodden Town, who referred to this as more of a nuisance than a benefit. How can you say to your people that it is a nuisance to go back and take their views when they have put you here? This is basically sneering at the authority of the people who have put you in these seats. I agree with him that there are many other major national issues. He does have, undoubtedly, a grasp of what he has seen operate in Canada, where it operates quite frequently, perhaps, more on a federal basis than a national basis.

Now the First Elected Member for West Bay obviously does not understand what this is all about. He is talking about elections, having referendums to deal with parking spaces in the Legislative Assembly. Quite frankly...

POINT OF ORDER

MR. W. McKEEVA BUSH:

...Point of Order, Mr. President. The Member is misleading the House. I did not mention anything about parking spaces in the Legislative Assembly. He is so bamboozled he does not know what he is talking about. Search the *Hansard*!

MR. TRUMAN M. BODDEN:

Mr. President, he got up and talked about taking the referendum to things like parking spaces.

POINT OF ORDER

HON. D. EZZARD MILLER:

On a Point of Order, Sir. The Member is misleading the House. I was the person that mentioned parking spaces, not the Member for West Bay.

MR. PRESIDENT:

I am sure he is not intentionally misleading the House. In that case it would call for a Substantive Motion if that is how you feel.

MR. TRUMAN M. BODDEN:

Mr. President, I am taking this from my notes. I do have it in the

notes under the Member for West Bay. So there is nothing intentional there, but I think it was the First Elected Member for West Bay who said it is a piece of rubbish that should be put in the garbage can. So here we are basically dealing with taking and crumpling up the peoples' rights to give their views in this country and throw it in the garbage can. How do you really deal with arguments of that sort?

The First Elected Member for West Bay talked about playing politics. He went on to name certain things that we might have had a referendum on during the eight years I was in the Government. Quite frankly, if we had the situation we have now and I was in the Government and had the worry that I have seen here, let me tell you whether we want to face this or not. We have seen where there is uncertainty to where the majority in this House can lie at times. It is something I would have thought or hoped the Government could have supported. We have seen at times, twice on one issue, the Government was outvoted. So this is something where the pendulum could swing both ways. The way issues come to where they are being split of that sort or a six to six as we have seen, then I believe the way of dealing with those major issues it to go back to the public and get some direction.

Talking generally, what worries me most in this country in recent years, among politicians, is the power hungry struggle that we are seeing to change things either when it does not suit them or alternatively to change things in the interest of politicians. Once again, speaking generally, one good day we are going to wake up and find out it may be too late. This is what a referendum can slow down.

Now, the thing that has come out somewhat clearly from what some of the newer Members to the House who oppose this have said, is that it seems to me that there is some fear that they may be wrong on a major national issue. It is that fear which can engender the sort of wrong decision that can hurt this country.

The Honourable Members for Health and Culture referred to the Abortion Motion. That is one of the best examples of what can happen on a very important issue. I have no doubt we would not have spent many long hours as we did in a Committee if we had taken the time to go back and ask the public.

Further, to give you the danger of what can happen in this House when the vote came up most of us had spoken on the substantive part of the Abortion Motion, which was dealing with the issue of whether the Law should be extended considerably beyond where it was. What seemed to be the obvious indication to me, from those who spoke, was that if it had been an amendment to the Law, it would have passed in this House with a majority. Look what the results have been. We go back to the people and the people came out with a decision which favoured basically what two Members of this Honourable House said, that is where you get democracy in action.

MR. PRESIDENT:

The Chair understands this is a debate on a referendum, therefore the cases are needed to illustrate the line of argument. Please avoid reopening a matter decided by the House.

MR. TRUMAN M. BODDEN:

Yes Sir, I abide by your ruling. In summary, I say that is a good example of how this Referendum Law could have been used to bring about the results which we now see.

The Member for Health also mentioned hiding behind a referendum and not doing the job ourselves. I do not call carrying out the wishes of the people of the Cayman Islands hiding behind anything. What we are doing is accepting the advice of the people who put us here. The day we get too big to take advice from anyone, not just the public, then I am afraid we have lost a lot of the attributes of the human race itself. We have to learn to take instructions before we can give them.

Therefore, to deal with a brief summary of the arguments against this Motion as expressed by previous speakers about it being costly, there would be some expense. I admit that. But I think it is the peoples' money and they are entitled to it. The criticisms that we would have other ways people could give their views across, be it by petition or otherwise, they have admitted in this House the problem of checking signatures on petitions. This would follow that beyond a doubt because it would be people on the Electoral List. The point brought out clearly is that some referendums have shown the results, as was mentioned in Jamaica, may be totally different from what the Government in power may have put through.

The major issues which are coming up now (some of which would never have been touched in past Governments)... We see, what I will refer to as some politicians who have inherited their position here (rather than spending time building it, as the older generation has) who are a lot less conservative than people then. There are merits and demerits in it. All I am saying is that if the country wants to move on a major national issue, then we should go back and consult the people.

I take cognisance of what was said by some of the politicians... and I am very happy to hear that major national issues should be dealt with and presumably they will see they are dealt with because it came from both sides of this House, in a General Election. Quite frankly, if that undertaking is carried out, then I have no qualms about trying to push a Referendum Law, but I will tell you this, while I stand in this House the day that does not happen, I am going to remind Members here of what was said.

I think that should have allayed any fears people may have had in consulting the public. I think the Referendum Law is good. It gives the people a right to have a say on matters of national importance in the country. We have been put here by the people, I think we have a duty to consult them even more than that, I think we have a duty to carry out the wishes of the people after that consultation. Thank You.

MR. PRESIDENT:

I shall now put the question on Private Member's Motion No.

11/89. Those in favour please say Aye...Those against No.

AYES AND NOES.

MR. PRESIDENT: A division please, Clerk.

CLERK:

DIVISION NO. 12/89

AYES: 5

Mr. John D. Jefferson, Jr
Mr. Truman M. Bodden
Capt. Mabry S. Kirkconnell
Mr. Gilbert A. McLean
Mr. John B. McLean

NOES: 9

Hon. Thomas C. Jefferson
Hon. Richard W. Ground
Hon. J. Lemuel Hurlston
Hon. W. Norman Bodden
Hon. Benson O. Ebanks
Hon. D. Ezzard Miller
Hon. Linford A. Pierson
Mr. W. McKeever Bush
Mr. Roy Bodden

MR. PRESIDENT: The result of the division is five Ayes, nine Noes. The Motion fails.

PRIVATE MEMBER'S MOTION NO. 11/89 NEGATIVED.

MR. PRESIDENT: Proceedings are suspended until 2:15 P.M.

AT 12:48 P.M. THE HOUSE SUSPENDED

HOUSE RESUMED AT 2:16 P.M.

MR. PRESIDENT: Proceedings are resumed.
Private Member's Motion No. 12/89, the Second Elected Member for the Lesser Islands.

PRIVATE MEMBER'S MOTION 12/89

SELECT COMMITTEE - CAYMAN AIRWAYS LTD

MR. GILBERT A. McLEAN: Thank you, Mr. President.
I beg to move Private Member's Motion No. 12/89 entitled,
Select Committee - Cayman Airways Limited:

"WHEREAS Cayman Airways Ltd., has accumulated losses of US\$20,685,215;

AND WHEREAS Cayman Airways Ltd., lost US\$1,077,268 in the financial year ending June, 1988;

AND WHEREAS Government continues to make substantial subsidies annually to Cayman Airways Ltd., presently to the extent of US\$1,250,000;

AND WHEREAS Cayman Airways Ltd., has stated that it is considering changing its present 727-200 jet aircraft;

AND WHEREAS the public debt of the Cayman Islands is estimated at the end of 1988 to be US\$23,600,000 with a further approximate US\$8,000,000 for 1989;

AND WHEREAS provision of air services between Cayman Brac/Little Cayman and Grand Cayman has attracted criticism;

NOW THEREFORE BE IT RESOLVED THAT a Select Committee comprising of all the Elected Members and the Honourable First Official Member be appointed to examine all aspects of Cayman Airways Ltd., including the financial affairs management, equipment and operations of Cayman Airways Ltd., and make recommendations to this Honourable House thereon."

MR. JOHN D. JEFFERSON, JR: Mr. President, I second the Motion.

MR. PRESIDENT: Private Member's Motion No. 12/89 has been duly moved and seconded. The Second Elected Member for the Lesser Islands.

MR. GILBERT A. McLEAN: Mr. President, I am pleased to have the opportunity of bringing this Motion to this House for two basic reasons.

One being my dealings with Cayman Airways as the Executive Secretary to the Board of Directors and as Principal Secretary for Tourism, Aviation and Trade, I have often felt that the only way Cayman Airways could be looked at in its entirety, would be by a Select Committee of all the Members of the Legislative Assembly.

Secondly, I believe the nearest that all of the people of the Cayman Islands would ever get to know the whole dealings of Cayman Airways will be through the people whom the electorate have elected in this House. Cayman Airways has a short history but, also a long history, I would say, in that there have been so many things which have occurred with our small airline, so many problems, but then, so many successes that it is somewhat of a phenomenon.

In 1977 Cayman Airways, as we now know it, was wrestled out of an arrangement with Lacs Airlines by the late James Manoah Bodden, Sr., a move which was supported by the Government of the day. From that grew Cayman Airways in its entirety as we know it at this time. The Company then started off an arrangement with equipment which it does not operate at this time, namely the BAC-111s. After many views, quarrels, changes and confrontations that equipment was changed. Eventually the two aircraft (the 727-200s) were lease purchased by the Company.

As an organisation, Cayman Airways is really a study in management, and financial management, because it started out under-capitalised. I submit, it still finds itself in that position today. However, with the determination of the people who were employed by it, and those persons who had political desire to see it survive and succeed, plus various elements put together, Cayman Airways is still with us.

From its inception criticisms have been numerous. At one time in this country if there was nothing to talk about, the most fashionable thing was to talk about Cayman Airways. I now believe that has changed, slightly; there are still criticisms. I, for one, criticised areas of its operation, and I dare say, I will continue to do so whenever I believe it is reasonable, right and proper.

What has happened to date has been a success story, although two reports which I am aware of, the Bacell Report and, as recent as 1985, a report by Swiss Air on the Airline, the latter made certain recommendations and certain observations which I believe were correct. They are still correct now. In that report, I see certain observations and comments made regarding management and I know personally that some of those observations are correct and true because I did live a little within the inner workings of Cayman Airways, as did two or three other Members of this House, some directly in the management, and others on the periphery on the Board of Directors.

I made the point about the Company starting off being under-capitalised because I would like to refer to a comment made in the report by Swiss Air which refers to the same matter. It states:

"Due to past losses, however, the balance sheet of Cayman Airways is a disaster. The accumulated loss at June 30, 1984 was twice as large as the share capital of the airline, which in itself could constitute a ground for declaring bankruptcy.

If the Government decides that the airline should continue to operate and if it believes in the future of Cayman Airways, this situation should be remedied. The theoretically best solution would be a considerable infusion of capital to allow the accumulated loss to be reduced to zero and to put the under-capitalized company on a sounder footing."

Many accusations have been leveled at Cayman Airways and the people associated therewith, but one inescapable truth seemed to escape everyone to date; that is, the company started under-capitalised and has survived to this point in time.

I am aware that over the years the first Chairman of the Board, Mr. James Manoah Bodden Sr., who, in 1977 when the Airline came on line, took a very personal pride in the situation. The operation of Cayman Airways was very personal to him and, I dare say, he had reasons to feel that way. In the management of Cayman Airways, as Chairman of the Board, I personally was aware that there were various conflicts and problems which need not have been, and which could have been rectified. However the Airline survived

I believe Cayman Airways, because of their under-capitalised situation, competition, and diversity of staff (not all the staff are qualified for the post or job that they are in because there is no time to train the people with the constant pressure of the operation carrying out on a daily basis) certain management problems continue to exist. I am aware and I think other Members in this Honourable House are, that staff at Cayman Airways move in and out of that Company somewhat. This has been in top management, middle management and in lower management as well. So it has not been confined to any particular area. These things happen in any organisation but with the various changes in Cayman Airways, this has also added ongoing difficulties and problems for the Airline. A few years prior to this (and, certainly, even now) Cayman Airways had not yet truly arrived at a firm, definite and formal functioning management structure. There may be those persons who would refute that, and, no doubt, we may hear the contrary.

If I may, I will once more refer to the rather short, but to the point, report which I quoted from awhile ago. It says:

"We have found much to be lacking at Cayman Airways, especially in the fields of organisation, information, documentation etc. with the help of a somewhat theoretical "hierarchy" of managerial documentation we should like to point out some of the weak points as we see them."

Here, if I understand correctly, Mr. President, the consultants are pointing out theoretically that there is hierarchy; but with the information they had they were making some comments on the situation with Cayman Airways. In this Session of the House I had occasion to ask the Honourable Member responsible for Cayman Airways what the policy of the Airline was in regards to service to Cayman Brac and Little Cayman, what was Government's policy towards it? Because the two might not be the same, although from my point of view I feel they should be basically the same. It is a Company that is 100 per cent owned by Government on behalf of the people of this country. I feel the Airline could be better served if it operated on the clear guidelines of what Government expects of it, demands or otherwise.

The report made comments on the Company's policy and objectives. They state the purpose of such things as being able to create the general understanding inside and outside what the Company objectives and workings are. They commented that this basic document for Cayman Airways must coordinate with Government policies. For example, stating the Government's commitment to air transport even under non-profitable conditions. A formal document of this kind can help the employees to identify with the Airline and its objectives. Here, I think the Government that commissioned this particular study took some steps in doing so, in that the first time a sum of money was identified, which was suggested to the Government that amount or more would be necessary to be injected into the Airline if it were to continue operation. We are talking about a subsidy. I think something was done during the administration of the last Government and it carries on until now.

In the recitals I noted that only this year a certain amount of money had been earmarked in Government's Budget for Cayman Airways. I do not fight that in any way. I myself have always felt that was the sensible approach to take. I am glad to see that has been done and is now an item which can be seen and discussed each year. The report goes on to suggest creating the framework for the yearly budgeting and management activities.

There is little doubt that one of the greatest needs of Cayman Airways is for cash flow. That has been identified by all persons involved with Cayman Airways to date. What is left unclear is the areas of losses. What causes Cayman Airways to need that money regularly? Is it fuel that is the problem? Is it staffing that is the problem? The changing of staff? Are they being paid too much? Are we not charging enough for our tickets? What area is not making enough money to at least break even?

In my opinion, the examination of Cayman Airways has always been largely confined to equipment. I am suggesting that while newer equipment might be necessary and might help meet particular needs, new equipment does not mean that automatically Cayman Airways is going to make a profit. In fact, you can give a bad driver a new car, but it does not make the bad driver drive any better.

I believe the question of Cayman Airways is a wide ranging one. Equipment (meaning airplanes) is only one part of the problem. This House should be aware that Finance Committee has approved the commitment of Government's backing the overdraft for Cayman Airways to take into service two 737-400s aircraft and to make arrangements to lease the two 727-200s. It has been approved by a majority of Members. I was not one of those Members. In fact, I and two other Members of this Assembly submitted a dissenting report.

I have a very general feeling that Members want to help in any way possible, to keep Cayman Airways operational, yet they all want to have some answers as to what is happening with the Airline. What are the facts? Not the emotion. What are the hard, cold facts? There is a problem and not dealing with the problem does not help the Airline. To bring about any sensible action, one has to identify the problem and examine it.

It draws some parallel to what was done by the Honourable Member for Health, when he brought the controversial Medical Termination of Pregnancy Motion to this Assembly. Everyone was obliged to say, 'I agree', or 'I do not agree'. In the country at large, there were some demonstrations, petitions, letters, persons appearing at the Assembly, but if I may say, I feel the country did become closer to what was a consensus of opinion.

In moving this Motion, it is my opinion that if this is passed it will be the best way. The people will know and the Elected Members will have the opportunity of asking questions, seeking information, being told why things are that way and not this way. That is good management. It is democracy.

In the first Session of the Legislative Assembly this year, we heard about persons in one category of workers at Cayman Airways, that of flight attendants, and the problems occurring with persons leaving, walking off the job, others being dismissed. We were also made aware of a situation where a large number of persons from various nationalities were employed by the Cayman Islands National Airline. It is matters such as this that Members of the Legislative Assembly question. They may be able to receive some answers, make suggestions, hear whether it is a money problem and be moved or motivated to assist financially; or sit down and examine with the Financial Secretary or other expertise to bring about a situation in order to find more money to help alleviate the problems.

I believed years ago that one of the major problems was in the overall management. May I refer to the comments on the organisation within the Airline, which was made in the

report? It says:

"Organisational charts do exist within Cayman Airways. However, they do not seem to be generally known or are not considered valid, as other lines of subordination have developed informally."

Anyone who studied management learned right away that there are formal and informal organisations. The informal organisation does not necessarily adhere to the formal structure. The informal organisation inevitably comes about because of personalities, people within the organisation. That complaint still exists as it did in the past. Having the opportunity to examine that matter and ask questions about it (as sensible and intelligent people in this Legislature) we can come up with recommendations to the organisation of Cayman Airways. If it needs money, as I said, this is also the body that votes the monies in this country, so it would still be in the right place.

It was also suggested in the report that job descriptions, the description of tasks of individual functions, definition of responsibilities and competencies... there should be a clear definition of tasks to avoid overlapping of responsibilities, establishing a base for judgment performances, significant, as it says in the report:

"Missing in the Cayman Airways job descriptions is a clear definition of responsibilities and competencies. Decision authority should be delegated to the lowest level still having sufficient information and overview to act competently."

There are many comments made in this report which are specific and to the point. I will not say that some of these recommendations have not been implemented or attempts made to implement all of them. Certainly, what is clear to the average man on the street, and certainly to those of us who have the responsibility of representing the people of this country, there are still problems in Cayman Airways and each one has his own guess as to what they are and what causes them.

The report also says that there should be management rules and procedures; there should be guidance on how to act and to solve problems encountered in day-to-day operations. I do not believe any employee of Cayman Airways intentionally does things wrong. I am sure there are many others who have seen instances at the counter, for example, when some staff seemed really frustrated, and lost and not knowing how to act.

I can think of one distinct instance when a flight to Cayman Brac was cancelled. I was on it, and by chance I happened to speak to an American couple who were also going there, the husband was a legislator in one of the states of the United States. We were given tickets to go to the lounge at the airport to get a meal. Both his ticket and mine were put on the same ticket to give to the manager of the restaurant. I suppose it was good for public relations, but it was purely by chance that I met the person and I wondered how that could work otherwise. I made as many excuses as possible to the man as to why, and I did report the matter to the Member responsible for it.

That is one instance of what I have mentioned earlier, whereby the staff, through no fault or of their own volition, find themselves in a position where it is not clear as to how they should proceed or what they should do because there are problems which do not allow them the opportunity to be trained or informed. Perhaps they are too young to be at the counter. I am not here to say.

What I am saying is that Cayman Airways has been with us for quite a long time. Even those persons who have said we should sell it, get rid of it and let foreign carriers come in and take over the route, time has proven that it would have been a serious mistake for us because we do have foreign carriers here and those foreign carriers cannot do for this country what Cayman Airways is doing for us. Cayman Airways has been one of the most effective tools in the development of these Islands. It continues to be that way. In the recent hurricane hundreds of foreign citizens were evacuated from this country. We could not tell the foreign carriers to do that. In fact the foreign carriers, I understand, virtually refused; they made their trip out and they stayed out. Smart people, as I suppose they are. We had an obligation. We carried it out because there was Cayman Airways.

So, I support Cayman Airways all the way. I am very proud of it. I have always been. I have criticised its management from a long way back because I think the major part of the difficulties and inefficiencies are within management which could bring about savings and create a situation that Cayman Airways becomes self-sufficient. Over the years it has built up a serious amount of losses, up to almost \$21,000,000. It continues to be a cost to Government, and all I am asking in this Motion is that a Select Committee of the whole House take time out to look at the overall operation to check into all of its departments, what it is doing, and arrive at an opinion which we can put before this Honourable House.

I am attempting to throw no garlands to anyone, nor to criticise anyone's management of the Airline other than to say, generally, the management of the Airline is inefficient. I would certainly be in a position to specifically offer an opinion if I, like other Members, were able to inquire more into it.

I am concerned about one area, and I have stated it time and again. In 1980 when I served Cayman Brac and Little Cayman as District Commissioner, there were inadequacies in the air service. It has been up and down and see-sawing since that time. I am concerned now as a representative of that district to try to plead, coerce, and do what ever possible to improve air service to the Lesser Islands. I am not just voicing my own opinion, it is the opinion of numerous people both to improve the equipment, the aircraft, and to improve the schedules, particularly by jet aircraft.

This all comes into the overall look at Cayman Airways as is suggested by this Motion. This Motion is no more and no less than that. What I have said is my intention, along with what is stated here in the recitals as a matter of fact in bringing this Motion to the House, I recommend it to Members and I trust they will see fit to support it.

Thank you.

MR. PRESIDENT:
Member for Tourism.

Does any Member wish to speak? [pause] The Honourable

HON. W. NORMAN BODDEN:

Mr. President, I rise to speak to Private Member's Motion No. 12/89, which calls for the appointment of a Select Committee to examine all aspects of Cayman Airways Limited including the financial affairs, management, equipment and operations and to make recommendations to this Honourable House thereon.

I must say the Mover of this Motion has presented the case in a fair and reasonable fashion. I believe his intentions are genuine. I have taken this Motion and will deal with each item that has been set out in the Motion. I will also strive to respond in a fair and reasonable manner. I am grateful to be able to have the opportunity to once again put Cayman Airway's case forward as I see it.

The Mover has dealt with the Swiss Air Report which was commissioned in 1985. Many of the recommendations made in the report, at least those recommendations which were accepted were implemented. He also dealt with the under-capitalisation of the Airline which is true. This has always been a problem and it has always created problems. It has been recognised by any authority, any airline specialist, the auditors of the company, or anybody connected with the Airline can easily recognise this. The Member has dealt with problems in management, government subsidy, the equipment change and a wide range of subjects which I will touch on, as I go along in my response.

If one had the time to research the *Hansard* Reports of this House, I am certain it could be easily established that more has been recorded and more time of the Legislative Assembly has been devoted to Cayman Airways, especially since 1984, than any other subject of importance for which the Cayman Islands Government is responsible. I dare say more than public health services, education, social services, housing for the poor, public works or any other need are essential service in our country.

Through the means of Parliamentary Questions, debates on the Throne Speech, the Budget Address, statement by the Member responsible, as well as Private Member's Motion, the affairs of the National Airline are well documented. From the time I have been responsible for the subject of Cayman Airways, probing Parliamentary Questions have been truthfully and factually answered. Wide ranging debates have supplied volumes and volumes of information. The Company's audited accounts are kept up-to-date and have been tabled in this House on a timely basis. Along with detailed reports from the Chairman of the Board, other special reports on the company, such as the Swiss Air Report, have also been commissioned and tabled and therefore, become public documents.

In short, as I see it, the story of Cayman Airways has been told and retold time and time again. It has been scrutinised and examined from every angle and I repeat, they have been more than well documented. I do not honestly know of any National Airline for any other country of which the general public is more informed than Caymanians are about Cayman Airways. I am not aware of any necessary information that Government or Members should have that is not being supplied. I know of no attempts to suppress any information. I have received no direct requests from Members for information which I have refused to supply.

I am not speaking about rumours which abound, especially in anything in which Government happens to be involved, nor am I speaking about unfounded allegations or unsubstantiated claims which are made against the Airline from time to time. Naturally, as in any other business, the Company's decisions, plans, or course of action cannot and will not be based on any of these.

In regards to the Company's financial affairs the financial position is already well known, ably established and widely publicised and therefore, to be quite honest, I do not see what any other or further examination or investigation would reveal. With respect, I think the fact the Mover of this Motion (the Second Elected Member for the Lesser Islands) was able to set out in the preamble of his Motion, such an up-to-date and accurate financial picture of the Airline is indisputable proof, strong and sufficient evidence, that the Companies financial affairs are readily available and well known to all who are interested.

Now turning to management, I would never attempt to claim the management of the Airline is perfect. I know better than that. As in any other company, I am sure there are good and bad decisions taken, errors in judgment are sometimes made and the best laid plans can go wrong. I maintain some progress has been made over the past five years and especially after the Swiss Air report. Great strides have been made and many improvements in management, management's accounts and reporting systems have helped to stabilise and strengthen the Airline to give it a much better direction. Every attempt has been made to ensure that good business practices are followed and decisions are taken on economic and practical, rather than political grounds.

The Elected Member responsible for the subject is not the Chairman of the Board, rather someone from the private sector which is the way it should be. The Board of Directors of the Company are comprised of capable civil servants and experienced businessmen drawn from the private sector, who devote much time and effort at no cost to the Company. Several young Caymanians with tremendous potential and management expertise have been recently brought into the management of the Company. I believe this will help to strengthen and improve the Airline.

The only thing the investigation that is being called for would do,

is adversely affect staff morale and discourage some of the people who are struggling to help the Airline survive and those who are looking to it for a future.

Furthermore, while I understand what is being asked for, I believe, this sort of exercise can have a damaging effect on the Airline at international level. Its image and reputation could place the future services of the Airline in doubt in the minds of the travelling public which in turn, would adversely affect its market share and financial results. The Americans are very nervous about their future travel plans and if there is any doubt of the stability and continuation of any airline, they are known to switch their bookings and future travel plans to other carriers.

The operation of the Company is safe and dependable. It is on-time performance record is impressive and Cayman Airways holds an enviable safety record to date; its operations are conducted by well trained, experienced, and highly qualified cockpit staff, cabin staff and maintenance crew which have accounted for the continuation of the Company to date and for its operational success thus far.

Company policy and regulations fully comply with our Civil Aviation Regulations, those of the Federal Aviation Agency in the United States of America. I may mention here, just over a year ago a periodic inspection of the Company's operations were instigated by our own Aviation Department and was conducted with the Civil Aviation Authority from the United Kingdom. A more commendable and favourable report was filed on the Company's operations by the C.A.A. inspector from the United Kingdom.

Cayman Airways is not being operated in any haphazard fashion. It is safe and dependable. Its operation bears this out. I do not know what any further examination of this aspect of the Company at the present time will prove, disprove or improve.

I now turn to equipment.

MR. PRESIDENT:

Perhaps this would be convenient to take the tea break. Proceedings are suspended for 15 minutes.

AT 3:15 P.M. THE HOUSE SUSPENDED

HOUSE RESUMED AT 3:43 P.M.

MR. PRESIDENT:

Proceedings of the House are resumed.
The Honourable Member for Tourism continuing.

HON. W. NORMAN BODDEN:

area of the Motion which dealt with equipment.

Mr. President, when we took the break I was moving onto the

737-400 aircraft have just recently been discussed by the Finance Committee. As was mentioned by the Mover, a decision was taken for Government to support the Airline's proposal and this is the subject of Finance Committee reports which have already been tabled in this House, along with the dissenting report filed by three Members of the Assembly.

Like any other move the Company makes, they have always been and always will be, those for and those against such move, I do not object to that. This is democracy and this is every Member's right and entitlement. In the final analysis, what is considered to be in the best interest of the National Airline and the travelling public is what should be done.

I know some Members have claimed the aircraft study was just a bundle of unnumbered papers. Perhaps the presentation format was not the glossy, fancy bound type of report that I have seen produced by some costly consulting firm. But let me tell the House that in my estimation that bundle of papers bore the hard facts. A true analysis and valuable information on which any considered opinion or important decision, such as this, could be based without the fear of being misled by any aircraft manufacturer or salesman, who will tell you only what you want to hear until you are hooked.

The aircraft study was prepared in-house by the company managing director, deputy managing director and two brilliant Caymanian pilots, of which I am extremely proud. The study was the result of much thorough research and hard work and it did not cost the Airline a extra penny. The company had available in-house expertise and that is commendable. I was truly sorry that some Members seemed not have received the study and its recommendations in advance but every effort was made to expedite the dispatch of the documents once Executive Council had given their approval. There were of course, some degree of urgency for a decision to be taken on this matter, as there were deadlines to be met before the options were lost to the Airline.

In any event, at the end of the day the majority of Members did study the report and supported the proposal for which I am, indeed grateful. I honestly believe the proposal is in the long term best interest of the company if it is to remain competitive. It just cannot become stagnate and gain.

So, here again, I am unable to understand what results beneficial to the company, the Government or the public would be proven by a further examination of equipment. In mentioning equipment, I acknowledge that requests have been made for a different type of aircraft for the inter-Island service. I would of course, have the same Cayman Airways team conduct a similar aircraft study into the various types, availability and suitability of an aircraft that could be used to eventually replace the Shorts Aircraft.

While on the subject of the inter-Island service and since the criticism of it is mentioned in the Motion, let me take this opportunity to state here, that while there are

acknowledged criticisms of this service, this has been the case since 1954. Some have been justified and others unjustified and unreasonable. The fact remains that Cayman Brac presently receives an average of 100 round trip flights per month with the Short Aircraft and 12 flights per month with the 727 jet aircraft.

While Little Cayman receives an average of 46 round trip flights per month with the Short Aircraft. The company's record show at least over the past six months there have been only ten per cent of the scheduled flights were delayed due to maintenance reasons.

While I acknowledge there is always room for improvement, it can be truthfully stated here again that the inter-Island service has always received the care and concern of Government and the Airline. This has been the case for the past 35 years. Bearing in mind, the relatively small population of the Lesser Islands, the limited number of available hotel rooms and yet, the high occupancy rates of the two hotels and lodges on Cayman Brac and Little Cayman, must be accepted even with the severest of critics that while there are still some problems to be solved, the Lesser Islands do receive good air service.

I do not have to be convinced by any Member of this House about the importance and need of a dependable air service to the Lesser Islands. I have been connected with that service in one fashion or another since 1954. I am sympathetic to the needs of a proper air service to those Islands and I fully support the requests that are made by the Members, both Members for the Lesser Islands to review the service on an on-going basis and to take corrective measures where possible. They have my full support on this 100 per cent.

As has been said many times in the past, and I will repeat here again, the National Airline from its very inception has lacked the basic economic factors; the route structure and aircraft utilisation to ever make it a viable operation. Surely, this had to be known from the beginning of Government's involvement in the airline business. Consequently, it has to depend on financial assistance from Government because of its vital importance to the country.

Since being elected and being appointed to the Portfolio, new negotiations with the United States on air services routes have gained the airline route rights to five United States cities, instead of the two it previously held. This is a facility enjoyed only by much larger countries which are able to offer the United States more in exchange than we have. Let us face it, rights granted to foreign carriers by the United States are not decided because they like your accent but rather it is based on reciprocity and what you can offer in exchange.

As I have already said, the Airline cannot remain stagnant and the overall plans are intended to provide the Airline with the ability and the means to expand its route system, thereby increasing its aircraft utilisation and hopefully, its chances to become fundamentally stronger and more stable. These are the objectives of the company, fully supported by the Portfolio of Tourism, Aviation and Trade.

The Cayman Islands Government is the only shareholder of the Airline and, as such, the company has no other party to look to for financial help but to Government. I am pleased that I have the support of all Members on recognising the need for financial assistance to the Airline. As long as the Airline remains under its present ownership, then it must be accepted that Government bears the full financial burden of Cayman Airways. There are no if's, and's, or but's about it.

However, I do have a suggestion which I will air: I propose to recommend to Government in the very near future that firstly, that Government take a decision to further clean up the company's balance sheet. It went to some extent in this area before, based on the Swiss Air Report, where certain loan debts that could not be serviced by the Airline were converted into shares. I think Government should take a further step to clean up the balance sheet; Secondly, that 10 per cent of the Company's shares be distributed to all Cayman Airways' staff free, in order to create more incentives for employees' participation; Thirdly, (after the earlier has been done) to float 39 per cent of the Company's shares on the open market. That will allow all Caymanians to purchase shares in the National Airline.

I often hear how proud we are of Cayman Airways and how this is our Airline, so I believe this would prove to be a most interesting exercise, to see just how much we really love Cayman Airways. Of course, this will give some of the millionaires in George Town a chance to put their money where their mouths are. I hope it is not a situation where we love Cayman Airways only because Government bears the financial burden.

This sort of structure would create and result in a different composition of the Board of Directors. It would reduce Government's involvement and financial responsibility; hopefully reduce somewhat the amount of political slack that can hurt the Airline, regardless of how well it was intended. I am not referring to this particular Motion, I am referring to the many letters to the press and the questions which have been raised by various sectors of the public. I honestly do not know what more can be done to remove the shroud of suspicion that seems to haunt Cayman Airways. I am willing to listen to constructive ideas. I am willing to cooperate with anyone trying to help Cayman Airways, certainly it needs all the help it can get. I am willing to supply any information Members may request, within reason, and channel any recommendations to the management and the Board of Directors.

It has truly become such a severe battle for the Airline to survive through the years; competition is strong. The Airline has some dedicated staff fighting hard and working many long hours to help the Airline survive.

The Mover mentioned problems in management and it is true that Cayman Airways (perhaps like Government and some other local businesses) has severe problems at mid-management level. I know the Board of Directors is continuing to press management to establish ongoing training programmes so that we can strengthen the weak area of the Company. I personally will continue to work with management to set sound policy and reasonable, realistic goals for the Company.

I honestly believe the Motion now before this House is

unnecessary because, as I have said, a great deal of information about the Company is public knowledge and is readily available. If there is a specific area of concern that any Member may have, I am willing to meet with them to discuss the concern and supply whatever information is necessary and within reason. I do not know, nor can I see what will be accomplished by any examination of the areas sighted in the Motion, I am only here, like every other Member, trying to do my best for the country and, in this particular instance, for the National Airline, Cayman Airways.

It seems to me that this Honourable House is already swamped and over-burdened with too many Select Committees. We have just started, undoubtedly there will be more to come. Members could very well end up doing nothing else but attending Select Committee meetings for the next three and a half years.

I am not adverse to Select Committees when necessary. I personally have no interest in trying to deny any attempt to improve and help the Airline, but as I have said before, the subject of Cayman Airways has been (and continues to be) aired from almost every forum and is, in fact, already widely known and well established.

To support this Motion would be for me to agree that something is wrong, that an investigation or examination and recommendations that follow will cure and correct the problem. I do not believe this because if this is the case, I would be the first one to call for an investigation of the National Airline. You can believe me, and this House can rest assured that I will not wait for the Second Elected Member of the Lesser Islands to do so.

Mr. President, I do not support Private Member's Motion No. 12/89. Thank you.

MR. PRESIDENT: Does any other Member wish to speak? [pause] In that case would the Mover wish to exercise his right of reply? Is the First Elected Member for West Bay about to speak?

MR. W. McKEEVA BUSH: Yes, Sir.

MR. PRESIDENT: The First Elected Member for West Bay, by a whisker.

MR. W. McKEEVA BUSH: Yes, Sir, I was out of my seat before he rose. Mr. President, I rise to support the resolution. I support the resolution not because I think Cayman Airways is in a worse position today than it was when the new Government took over in December of 1984, I support the resolution because some of the contentions that people have might be cleared up.

I support this resolution because I have always believed in an investigation into matters. This Motion cannot do us great harm. I have always believed in an investigation into a matter where there is constant accusation and speculation. Certainly, Cayman Airways has always been cause for people to ask questions and to think about its operation. The Airline is definitely of great importance to this country. Either way we take it, it would be good for us to look into its operation. If there is nothing to fear, no one need worry about the Members of this House sitting down and looking in depth at how things are going with the Airline.

Over the years there has been much cost accumulated; losses of the National Airline. I think it would be good for us to sit down and see whether some of these rumours are, in fact, true. I have supported investigations ever since I became involved in politics. I think an investigation does no one harm, only those that have something to hide. Therefore, I can only vote conscientiously, and support the resolution before the House. I will be doing that.

Thank you, Mr. President.

MR. PRESIDENT: The Third Elected Member for West Bay.

MR. JOHN D. JEFFERSON, JR: Thank you, Mr. President. I rise to give my support to Private Member Motion No. 12/89, entitled Cayman Airways Limited.

Let me start by saying that I support the idea of a National Airline. This was brought home very forcefully in 1986 or 1987, when our National Airline was providing air service to the Turks and Caicos Islands. We were the only carrier into that territory shortly after the Government changed in 1984. A decision was made by the Board of Directors to terminate that particular service. Those Islands were left for a period of time, without air service.

I do not need to emphasise the importance of air service to the Cayman Islands. We depend on services to and from other countries for our very survival. Being a financial and tourism centre we depend on air services to bring the people who come here to do business and to vacation. It also provides a means by which residents of these Islands can go abroad.

Even though Cayman Airways has been a political issue for a very long time, most Caymanians have come to the conclusion that we do need the Airline. I have heard arguments against the idea. One argument goes like this; "There will never be any shortage of airlines wanting to come into the Cayman Islands, therefore the money we have invested in Cayman Airways could be spent elsewhere." I do not comprehend this. I think this is a risk that we as a country cannot afford to take.

I will be the first to admit that Cayman Airways has made great strides over the years. But there are still areas and room for improvement. I want to say that I was personally, for a

period of time, a member of the management team. I am thankful for the opportunity to make my contributions in improving the operation of the Airline. I was responsible, shortly after being appointed to office, for implementing Cayman Airway's Budget which is now in place. I was also responsible for Cayman Airway's capability of doing its accounting by computer on site here in Grand Cayman as opposed to having it done in Miami, at a tremendous cost to the Company.

I am also proud to say that Cayman Airway's financial position has improved to the extent where the Airline is now in a position to meet with its own resources, a majority of its obligations. Cayman Airways has just taken a decision to upgrade its equipment and personally, this is a step in the right direction. I supported that move. I think over the years once the new equipment has been put in place, we will recognise tremendous savings because of the fuel efficiency of the new aircraft which will be used. I think that was a very positive move.

I cannot agree with the comments of the Honourable Member for Tourism, who stated that a call for an investigation, at this stage, would cause the public to get nervous; it would affect the market share of the Airline. The question I have is: Were these concerns raised when his [the Member] Government called for an investigation by Swiss Air? I do not think it did have any adverse effects. Being a member of the travelling public, I want to be assured at all times that the operations of Cayman Airways are on a sound financial footing and that the service is safe.

I see no harm in sitting down as a Select Committee calling on whatever witnesses we think necessary and asking certain questions, gathering information for ourselves and drawing our own conclusions as to the position of the operation.

As I mentioned before, I think there is still considerable room for improvement. I am one of those that does not buy the argument that Cayman Airways will never reach the position where it can be financially self-sufficient. I am not convinced of that and I think it is our responsibility, as Members of the Legislative Assembly who vote funds to subsidise Cayman Airways, to do everything that is in our capacity to ensure that no effort is spared in determining that Cayman Airways is not capable of carrying itself.

I read a book that was written by Lee Iacocca. It outlined his experience at Ford Motor Company and Chrysler. Personally, I think, the position of Cayman Airways is very similar to what he found at Chrysler when he first went there. There is a lack of genuine and consistent coordination between all entities of the Company. I have experienced this on a first hand basis. I am the first to recognise that we have some of the most dedicated and competent staff that we could find in that Airline, but there are others that seem to be only interested in building their own little empires at our expense.

I also support the idea of a reliable jet service to Cayman Brac. I think the question that has to be asked by any Government is: What is our responsibility and commitment to the development of the Lesser Islands? How much is that going to cost? Are we prepared to make that commitment? This is where we are still at. I have heard all the pros and cons about the Shorts Aircraft. Over the years, according to my information, has been so inconsistent; you never know until a half hour before the scheduled flight whether or not it is going to go. I think that leaves the Lesser Islands in a very, very precarious position. Government must recognise this and make a decision.

I do not think any one individual can take credit or be blamed for the present position of Cayman Airways. One fact has to be recognised and that is, that the airline business is a very competitive business. If as a National Airline, Cayman Airways is to survive, we must keep abreast of what is going on in the industry. We must be willing to do whatever is necessary to keep us in a competitive position. I think an investigation goes along with that. It has been four years since the last major review of the Airline. Many of the recommendations in the Swiss Air Report have been implemented. It has been very effective. I see no harm, at this stage, having a Select Committee of the House sitting down and reviewing the operations of Cayman Airways.

I also do not agree with arguments put forward by the Honourable Member for Tourism when he said we already had too many Select Committees established to review issues. My question is: What issue could be more important than Cayman Airways where the Government of these Islands has a financial commitment that continues to be drawn on, and was called upon recently, to provide the guarantee for another \$6,000,000? I think we must be good stewards. We must do whatever we have to do to ensure that we are being responsible and accountable. I see no reason why we should not be in a position to conduct this investigation as a Select Committee of the House. Mr. President, I support the Motion.

Thank you, Sir.

MR. PRESIDENT:
reply?

If no other Member wishes to speak would the Mover care to

MR. GILBERT A. McLEAN:

Thank you, Mr. President.

First of all, I would like to thank the Members who have offered support to the Motion. I am also grateful for the comments made by the Member responsible for Cayman Airways Limited.

I would like to comment on some points which were made by the Member. To say that I totally agree that the information which is contained in the recital in the Motion. The financial figures on the operation of Cayman Airways, those figures which are in large amounts, the breakdown of those figures is where the concerns lie. The details of the various areas where the money is expended should be the area of concern to Members of this House.

I cannot see in any way whatsoever, the investigation or the enquiry into Cayman Airways having any effect on it, nor could it affect the morale of the employees. I am of the opinion, and I do have some cause to know, that there are some employees who would welcome the opportunity to

air their feelings on certain matters and get certain things off their chest.

Neither can I see how an investigation by a Select Committee of this Legislative Assembly could effect and cause a loss of bookings with the Airline, or any doubt which would affect the travelling public. I, most certainly, have not even remotely tried to suggest any cessation of the operation of Cayman Airways, while an investigation is being made by a Select Committee or to suggests in any way what is now happening would be affected by that. I wish to make that explicitly clear.

I have no disagreement with the Manager of Cayman Airways idea of the Airline being employed from the private sector. I think that is fine. I have no disagreement with that. I have stated that my idea is to look at the overall operation of Cayman Airways, which would include that and other areas. It has been noted that Swiss Air investigated the Airline and the Airline is better off. I feel if the representatives of the people had the opportunity of looking at the operation that would compliment rather than detract from. There is an old saying, if there is nothing to hide, why would there be a fear for someone to look at the operation.

In regard to the 737-400s, which are envisaged to be put into operation, I, by no means under any condition wish to see the persons undertaking that move not do so with their heart and soul and competent. In such organisations, normally, a study such as this one would be an independent one. In fact, in some companies it would virtually be a pre-requisite that it be independent, for such study to be undertaken. I feel there are benefits to gain if it was independent.

The routes of the Airline should not be a problem for Cayman Airways. In that as many United States' airlines that wish to fly here do have the right to make a bid for the route which so far there are only three or four. So in turn, it is only reasonable for Cayman Airways to be given routes. The question is whether we can service them as is necessary.

MOMENT OF INTERRUPTION

MR. PRESIDENT: May I interrupt you for a moment? It is now 4:30 P.M. Do I take it that it is the wish of the House to try to finish the business on the Order Paper today? It seems so. Could the appropriate Motion be moved please?

SUSPENSION OF STANDING ORDER 10(2)

HON. THOMAS C. JEFFERSON: Mr. President, in accordance with standing Orders 83, I move the suspension of Standing Order 10(2) to allow the Member to finish his winding up and for the vote to be taken on the Motion.

MR. PRESIDENT: The question is that Standing Orders be suspended to enable the business of the day to be concluded?

Those in favour please say Aye...Those against No.

AYES.

AGREED. STANDING ORDER 10(2) SUSPENDED.

MR. PRESIDENT: Please continue.

MR. GILBERT A. McLEAN: Thank you, Mr. President. A reference was made to the fact that there appears to be a cloud of suspicion over Cayman Airways, perhaps that is putting it strongly. If I were to say it, I would not say there is a cloud of suspicion but, certainly there are areas I believe the Members would like to have some clarification on which have not been available up to now. We cannot divorce the question of money being an integral part because it is an ongoing occurrence, specifically where it maybe quite revealing. I personally believe, if it were known, there would be areas where suggestions could be made for savings.

In the Report which I referred to earlier it was pointed out specifically about the large differences between salaries in the higher range and those below, including the number of various salary points of the scale. So, it is possible that some people are being paid too much and others too little.

The suggestion which was made by the Honourable Member responsible for Cayman Airways about Government cleaning up the balance sheet of the Airline by an injection of money gives more cause for the need to have a look.

POINT OF CLARIFICATION

HON. W. NORMAN BODDEN: Would the Member give way on a Point of Clarification? I want to make it clear that I was not suggesting the balance sheet of Cayman Airways be cleaned up by a further injection of capital from Government. I foresee more of paper transaction and the issuance of shares. A similar exercise to what was done after the Swiss Air Report was accepted. If that is what was understood, it is not what was intended, Sir.

MR. GILBERT A. McLEAN: Mr. President, I thank the Member for the clarification he has

made. The disbursement of 10 per cent of the shares to Cayman Airways staff, which I certainly agree with, I understand Varig Airlines and Singapore Airlines have a similar arrangement whereby employee ownership and it has been proven that the staff becomes more interested and motivated in seeing success of the company they are a part of in those instances. Nor, for that matter, the idea of selling 39 per cent of the shares to the public in Cayman. I see nothing wrong with that.

The point is for people to be interested in buying shares. They want to know in what they would be buying shares. The more information they can have readily available, the more the Government of the day and the Elected Members of this country can say: Yes, Cayman Airways is losing, but in our opinion everyone is doing everything they can to make it work. It is simply the nature of things at this time. I believe such shares would be more saleable.

Something is wrong with the operation because every now and then the question of the large number of flight attendants leaving and disagreements between pilots is aired. There are various indications in any organisation which suggest there is something wrong. I believe as stated by the Member, that it is wise and prudent to cure and correct it.

I do not wish to say any more regarding the Motion because I have endeavoured to state my intentions as to why it was brought. I have done my best to clarify why it would help the Airline, certainly not hinder it. Thus, I trust Members will support it. I recommend it to this Honourable House.

Thank you.

MR. PRESIDENT: I shall now put the question on Private Member's Motion No 12/89. Would those in favour please say Aye...Those against No.

AYES AND NOES.

MR. PRESIDENT: Take a division, please, Madam Clerk.

CLERK:

DIVISION NO. 13/89

AYES: 7

Mr. W. McKeever Bush
Mr. John D. Jefferson, Jr
Mr. Truman Bodden
Mr. Gilbert A. McLean
Mr. Roy Bodden
Mr. R. Franklin Smith
Mr. John B. McLean

NOES: 8

Hon. Thomas C. Jefferson
Hon. Richard W. Ground
Hon. J. Lemuel Hurlston
Hon. W. Norman Bodden
Hon. Benson O. Ebanks
Hon. D. Ezzard Miller
Hon. Linford A. Pierson
Capt. Mabry S. Kirkconnell

MR. PRESIDENT: The result of the division is seven Ayes and eight Noes. The Motion has been negatived.

PRIVATE MEMBER'S MOTION 12/89 NEGATIVED.

ADJOURNMENT

HON. THOMAS C. JEFFERSON: Mr. President, I have much pleasure in moving the adjournment of this Honourable House until the 4th day of September, 1989.

MR. PRESIDENT: Before I put the question on the adjournment of the House, I am sure the House would like me to record our customary, and well earned, gratitude for the efficient service of the Clerk and her staff both front stage and back stage, and the dignified Serjeant-at-Arms.

The question is that the House do stand adjourned until the 4th of September, 1989. Would those in favour please say Aye...Those against No.

AYES.

MR. PRESIDENT: The Ayes have it. The House is accordingly adjourned.

AT 4:38 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M. MONDAY 4TH SEPTEMBER, 1989.