

**WEDNESDAY  
5TH SEPTEMBER, 1990  
10:11 A.M.**

**MR. PRESIDENT:**

Prayers.  
The First Elected Member for Cayman Brac & Little Cayman.

**PRAYERS**

**CAPT. MABRY S. KIRKCONNELL:**

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 we may be enabled faithfully to perform the responsible duties of our 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 the light of His countenance upon us and give us peace now and always. Amen.

**MR. PRESIDENT:**

Proceedings of the House are resumed.  
We have an apology for absence from the Elected Member for

East End.

**QUESTIONS TO MEMBERS**

**MR. PRESIDENT:**

Question No. 127. That will have to be deferred.

**QUESTION NO. 127 DEFERRED**

**MR. PRESIDENT:**  
Town.

Question No. 130, the Second Elected Member for Bodden

**THE SECOND ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION ENVIRONMENT RECREATION AND CULTURE**

**NO. 130:** Would the Honourable Member say what is the Department's policy regarding computer accessibility, other than for formal computer classes at the Middle and High School levels?

**ANSWER:** It is the policy of the Education Department that the computers at all Government schools are for the sole use of students and staff. Other than for formal computer classes, students are able to use the computers as follows:

- (1) For project work related to their examinations;
- (2) For computer programming in line with the requirements of their syllabus;
- (3) For private and independent study - either in the Computer Laboratory, or, in those cases, where computers are in classrooms; all with the formal consent by School Administration. It is not the policy of the Education Department that pupils should have unsupervised access to any computer in any Government school.

In the case of staff there are two main areas for which computers are used:

- (1) Administrative purposes;
- (2) Computer literacy workshops for their own benefits.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries. The First Elected Member for Bodden Town.

**MR. ROY BODDEN:** Thank you, Mr. President.  
Could the Honourable Member say what is the ratio of computers to students, that is, students enrolled in computer classes and students who express a desire to use computers?

**HON. BENSON O. EBANKS:** Are you speaking of the system wide ratio or in a specific school?

**MR. ROY BODDEN:** At the Middle and the High School level.

**HON. BENSON O. EBANKS:** To the best of my knowledge, there are about 60 computers at the high school and some 30 odd at the Middle School. Exactly what ratio that is per student I am unable to say. I can elaborate further to say that we had a study done earlier this year by the Computer Services Department in Government and that either computers according to their recommendations and agreed by the school are in place or are on order.

**MR. ROY BODDEN:** I wonder if the Member would give an undertaking to find out that ratio and perhaps he could supply the answer in writing at some later stage?

**HON. BENSON O. EBANKS:** Certainly, Mr. President.

**MR. PRESIDENT:** Question No. 131, the Second Elected Member for Bodden Town.

**THE SECOND ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION ENVIRONMENT RECREATION AND CULTURE**

**NO. 131:** Would the Honourable Member say when the bleachers, requested for the Bodden Town Primary School, will be set up?

**ANSWER:** Quotations of costs for bleachers were received on 2nd August, 1990, and a supplier selected. Orders have been placed and delivery should take place within six weeks thereafter. Once received, the setting up of the bleachers should be accomplished within a short period.

**MR. PRESIDENT:** Are there no Supplementaries? Question No. 132, please. The Second Elected Member for Bodden Town.

**THE SECOND ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION ENVIRONMENT RECREATION AND CULTURE**

**NO. 132:** Would the Honourable Member say when will the requested lights for the hard courts at Bodden Town be installed?

**ANSWER:** In the 1990 Budget, under Head 41-023, provision of \$10,000.00 was made for the hardcourts and playfield study in Bodden Town.

The commissioned level and boundary survey for the playing field has been completed. There was no charge for this work so the Public Works Department has just been authorised to utilise those funds towards lights on the hardcourts adjacent to the Civic Centre.

These lights are not held in stock, therefore, an order has to be placed. Once these have been received they will be installed as soon as possible.

**MR. PRESIDENT:**

Are there Supplementaries then?

Brac and Little Cayman.

Question No. 133. The Second Elected Member for Cayman

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE SECOND OFFICIAL MEMBER RESPONSIBLE FOR LEGAL ADMINISTRATION**

**NO. 133:** Would the Honourable Member say what is being done to recruit Court Reporters for the Courts in the Cayman Islands in keeping with the advice of Finance Committee made almost a year ago?

**ANSWER:** Both the 1989 and 1990 Estimates of Revenue and Expenditure for the Judicial Department (Head 13) provided for the employment of two Court Reporters in the salary scale AP1-3.

The first Reporter, Ms Allison Ebanks, a Caymanian just qualified, was appointed with effect from 14th November, 1989. The second Reporter, Ms Darcia Hewak, a Canadian with seven years experience, was appointed with effect from 18th August, 1990.

The vacancies were extensively advertised by the Public Service Commission, both in the Cayman Islands and North America, last year and earlier this year. A number of candidates were interviewed in George Town on 31st May.

A Judge's secretary, Miss Cecile Levy, a Caymanian with some nine years in Government service, attended a four month course at the Academy of Court Reporting in Coral Gables, Florida, starting 1st March, and qualified as a Scopist (a person trained to transcribe into type the Court Reporter's notes). Additional training has been arranged for the Scopist and Court Reporters through the Director of Training.

A scholarship for a Court Reporter to complete a two year course in court reporting was advertised by the Public Service Commission on 29th June. It will be funded by the Government. The final selection of the successful candidate is awaited.

The 1991 Estimates request provision for two additional Court Reporters. One of the candidates interviewed in May should be available to accept one of these vacancies. However, the timing of the appointment is subject to suitable office accommodation being available, and steps are in hand to provide for that.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:**

Supplementaries.

**MR. GILBERT A. McLEAN:**

Would the Member say if it is the intention then of Government to provide a Court Reporter for each of the Courts as was requested and suggested in Finance Committee?

**HON. RICHARD W. GROUND:**

Whatever is to be done, it is the intention of the Judiciary who decides as to their own needs and know. I answer for them here, I am not responsible for them. So I cannot say what is on their minds. It will be apparent though that, if they have two already and are applying for two more, they are aiming at a coverage of four and there are presently three Judges and two Magistrates. I think the Member, from that, can see what they intend for their department.

**MR. GILBERT A. McLEAN:**

I understand what you have said, but would it not be a desirable thing to have, if we are going to have Court Reporters to have one for each Court? The five Courts and I think you said there were five Judges, could be sitting at one time and thus one would be short of a Court Reporter.

**HON. RICHARD W. GROUND:**

Again, I am speaking outside my direct responsibility. In reality to have all five sitting in open Court at the same time probably does not occur all the time. One has to balance the cost of providing Court Reporters who are qualified professionals and do not come say as cheaply as Clerical Officers. One has to balance a cost of providing them full time against the possibility that one of the Judges may only sit for a short time on any one day and also for some of the time, Judges will be occupied writing judgements and so on and not sitting in open Court. My understanding is that in looking at an establishment of four, a realistic assessment is being made of what is needed to provide a sensible level of coverage without going over board on the cost of it.

**MR. GILBERT A. McLEAN:**

Could the Member say if the Courts have encountered problems with the question of salaries to be paid to Court Reporters and for what Government is offering, if that is not attracting the type of person that is available?

**HON. RICHARD W. GROUND:** I do not know in detail. I do know that in the United States, Court Reporters are regarded as a profession and get paid very highly and I suspect the Government scales do not come up to that level, but I cannot give you the figures. We cannot end up paying Court Reporters more than we pay the Judges or me.

**MR. PRESIDENT:** The First Elected Member for Bodden town.

**MR. ROY BODDEN:** Thank you, Mr. President.  
I wonder if the Honourable Member could say if any attempt has been made to interest school leavers in this profession or would they be considered not of sufficient maturity to be able to handle such a job?

**HON. RICHARD W. GROUND:** I simply do not have the information to answer that. Perhaps I could repeat what was said in the answer and that is that a scholarship has been advertised and if school leavers were interested to come forward to that I am sure they could be looked at. Whether they have sufficient qualifications or not to begin that, I am afraid I do not know.

**MR. PRESIDENT:** The Third Elected Member for George Town, you caught my eye a minute ago, no?  
The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Could the Member undertake to find out if there are problems with the salary level that is being offered and bring this matter before the Finance Committee in due course for the attention and consideration of Members?

**MR. PRESIDENT:** That is not a matter for Finance Committee unless the Government puts it.

**MR. GILBERT A. McLEAN:** Could the Member undertake to find out this information, take it through the proper channels, including Executive Council, and have some recommendation made to the Finance Committee?

**HON. RICHARD W. GROUND:** I certainly am willing to ascertain the current salary scale and provide a comparison with North American salaries and see if the Clerk of the Court will express an opinion as to whether that has inhibited recruitment or not.

**MR. PRESIDENT:** I think the next question is No. 134. The Second Elected Member for Cayman Brac and Little Cayman.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE SECOND OFFICIAL MEMBER RESPONSIBLE FOR LEGAL ADMINISTRATION**

**NO. 134:** Would the Honourable Member say who is responsible for security in the offices rented by the Legal Department in the First Home Building, and what is the cost factor?

**ANSWER:** Government and the staff of the Department are responsible for the security of the Legal Department itself, while the landlord of the building is responsible for the building's security. There is no extra cost factor.

**MR. PRESIDENT:** No supplementaries? Next question, 135. The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** I would point out that question 127 was not called.

**MR. PRESIDENT:** It comes again at the end under the Standing Order.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE SECOND OFFICIAL MEMBER RESPONSIBLE FOR LEGAL ADMINISTRATION**

**NO. 135:** Can the Honourable Member say how many lawyers there are in the Cayman Islands, giving a breakdown by law firm and nationality?

**MR. PRESIDENT:**

No. 136, the Third Elected Member for George Town.

**THE THIRD ELECTED MEMBER FOR GEORGE TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION ENVIRONMENT RECREATION AND CULTURE**

**NO: 136:** Would the Honourable Member state:

- (a) which schools are, by accepted standards, overcrowded;
- (b) what is being done to deal with this problem;
- (c) how long the overcrowding has existed; and
- (d) which classes have in excess of the accepted average number of students to each teacher for that respective type of school?

**ANSWER:** (a) According to Government standards (established in 1979 when the ratio of children to each teacher was 30 to 1) which are aimed at a ratio not greater than 25 to 1, the following schools would be deemed to be overcrowded:

**GEORGE TOWN PRIMARY SCHOOL**

20 classes x 25 = 500

Present student enrollment = 546

**SAVANNAH PRIMARY SCHOOL**

6 classes x 25 = 150

Present student enrollment = 186

**WEST BAY PRIMARY SCHOOL**

12 classes x 25 = 300

Present student enrollment = 346.

- (b) (i) In the case of George Town Primary, it is planned to build a new Primary School in the district.
- (ii) Savannah Primary received two new classrooms earlier this year to help alleviate the problem. The Bodden Town School like the Savannah School is located in the Bodden Town Electoral District. At the end of last school year, enrollment at that School, which has a capacity of 150, stood at 110.

Whenever possible children have been relocated from the Savannah School to the Bodden Town School and for this academic year 131 students are expected to attend the Bodden Town School.

However, due to increased housing development in the Electoral District as a whole, relocation of students does not appear to be sufficient.

A substantial number of pupils presently enrolled at Savannah Primary School, who live in Prospect and other areas on or near the Bodden Town district border, would properly be relocated to the proposed new School in the George Town district. This will ease the overcrowding at Savannah Primary School and allow time for an assessment of the need for a third Primary School in the Bodden Town district.

**WEST BAY PRIMARY SCHOOL**

For the September 1990 term, some classes will be accommodated in the West Bay Town Hall.

Four new classrooms are to be build. The clearing and filling of the land contract has already been let.

The Public Tenders Committee is to meet on 4th September to award the building contract. It is anticipated that the classrooms will be completed for not later than the summer term 1991.

- (c) George Town Primary - for the last two years.

Savannah Primary - the last year.

West Bay Primary - the last year.

- (d) GEORGE TOWN PRIMARY SCHOOL  
 Infant 2D - 30 children  
 Infant 1E - 32 children  
 Infant 1GR - 31 children  
 Infant 1W - 29 children  
 Infant 1M - 28 children

SAVANNAH PRIMARY SCHOOL  
 Infant 1 - 31 children  
 Infant 2 - 34 children  
 Junior 1 - 30 children

WEST BAY PRIMARY SCHOOL

Although this School is overcrowded by actual numbers of children times the number of classes, all classes seem to be 26 and under.

It should be realised and emphasised that in addition to the actual classrooms, both Savannah and George Town Primary Schools have multipurpose halls. In the case of George Town this was added last year and represents 2784 square feet of additional open space. In the normal course of operation each class has students which are removed for special tutoring, therefore, the classes are never in practice as large as they appear to be. For example, in Savannah there are actually 10 teaching rooms plus the multipurpose hall.

#### SUPPLEMENTARIES:

**MR. PRESIDENT:**

Supplementaries.

**MR. TRUMAN M. BODDEN:**

To the Member, Sir. The planning that you are dealing with, in relation to the over crowding, what period of time do you expect the planning will cover? In other words the buildings that you are doing, how many years in advance do you think that will cover on each of these three schools?

**HON. BENSON O. EBANKS:**

Mr. President, in the case of West Bay and George Town, when the two schools are completed that should cover from 10 to 15 years.

In the case of Savannah, I put the bit on because I think I should explain the difficulty that arises when questions are phrased in the way they are. When the information was given it was in relation to classes as was asked. It does not represent classrooms. This represents the entry forms as they came into the school. Those numbers are further broken down by ability groups into available classroom space.

In the case of Savannah for example, there are actually 10 teaching spaces. The six classes given for Savannah do not include the two new classrooms which were added at the end of last year. The situation, as far as children to teachers is by no means what the figure is given in the classes. I do not know if I have made myself clear?

For example, Savannah is a single form entry school. So if 40 children go in, they are regarded as one class, but they are actually broken up into two teaching groups. The statistics which you are getting, are in fact the numbers as they enter the school, the number of classes they go through.

There are other schools that have a two form entry, others have three and four. It really does not reflect the true position regarding the pupil teacher ratio.

**MR. PRESIDENT:**

First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:**

Mr. President, can the Member say, in relation to the John Cumber Primary School in West Bay, when he says the present enrollment is 346, if this was the total when school adjourned for the holidays or the enrollment for the new year?

**HON. BENSON O. EBANKS:**

That is the new enrollment for the school year, Mr. President.

**MR. TRUMAN M. BODDEN:**

Specifically in relation to part (c) - where you stated that this overcrowding problem has existed in the George Town Primary for the last two years, and Savannah and West Bay Primary for the last year. The correction of this (where you have referred to the awarding of the contract), as I understand it, are you saying that by the next school year there will be no overcrowding in these schools? Or what is the period? You have said the contract will be awarded in September.

**HON. BENSON O. EBANKS:** Mr. President, that is in respect of the West Bay classrooms that the contract will be awarded. In the case of George Town, there is difficulty in locating suitable land. We are searching for it and of course we also need it in a reasonably specific area because as we see it, the school should be located on the outskirts of the district where it can serve, as we said, both George Town and maybe some of the children that are now going into the Savannah area.

I could give as an example, Savannah. I do have a specific number of teaching spaces for that school. The new registration for that school this year shows six classes again, a new Reception Class with 30, two Infant One Classes totalling 30, which would be broken up into 15 each. One Infant Two Class with 31, one Junior One Class broken down into three classes, nine that were retentions and 15 each in two other classes. Junior Two - two classes of 28 and Junior three - two classes of 28, that is 14 in each class for a total of 186. As I pointed out instead of the six numbers which are given here, we have 10 teaching spaces plus a library, plus a multi-purpose hall and I believe a specialist music room.

**MR. TRUMAN M. BODDEN:** A follow up on that question. How long have you been looking for land for George Town Primary and when do you expect the school to be completed?

**HON. BENSON O. EBANKS:** Mr. President, the provision of the multi-purpose hall and some other renovations that took place last year (and remember that was 2,784 square feet) gave us a breathing space, but we would anticipate starting the George Town School in 1991. We would only have to enlarge the model which has been done for the West Bay School. This is in fact the first school to be built on this model and it is the product of the study by people in the department and the teachers who will be using it. It has been expressed by all those who have seen the plan that it is certainly a school built for the year 2000 and beyond. I believe that the George Town School, not having been built yet, will benefit from this plan. To be specific, George Town cannot go beyond 1991 in starting the school, otherwise we are going to have serious over crowding.

**MR. PRESIDENT:** First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:** Mr. President, can the Member say how many classes will be held in the West Bay Town Hall for the September term?

**HON. BENSON O. EBANKS:** Four classes, Mr. President.

**MR. PRESIDENT:** I think the First Elected Member for Bodden Town was next.

**MR. ROY BODDEN:** Thank you, Sir.  
Mr. President, I wonder if the Honourable Member could say if the department utilizes any kind of statistical techniques or forecasting to ascertain the enrollment of each of these Primary Schools in a given year before the actual registration time in September?

**HON. BENSON O. EBANKS:** Yes, Mr. President. Such statistics as are available. As the Member is probably aware, parents are required to register their children with the department early. Unfortunately, the Cayman of today is not the Cayman of yesterday and families that were living in West Bay a year ago are now living in Savannah or Bodden Town and some visa versa. So that it is in fact difficult to project enrollment precisely or even near now. Added to that movement of local people is also children coming from overseas as dependents of people on work permits. It is not as easy as it used to be.

**MR. PRESIDENT:** Is this a follow up?

**MR. ROY BODDEN:** Yes, Sir.  
So, Mr. President, am I then to understand from the Members answer that there will always be somewhat of a problem because of the failure to ascertain even rough enrollment projections?

**HON. BENSON O. EBANKS:** I was just doing some quick arithmetic. Just to give an example, even with nine children being held back in Savannah this year, we have 186 as opposed to 196 last year. This gives an example of the difficulty. What happened in most of those cases, I am sure, apart from sending there those children who properly belong to the Bodden Town School, who were registering this year, there were people who moved out of that district. Only yesterday when I got back to my office, I found the summary of a complaint from some disgruntled parent who had not registered his child at our schools and was taking them from a private school and was insisting on putting them into one of our over crowded schools. I am afraid this is something we are going to have to live with and the only thing we can do is to build some slack into the system to cater to these swings and contractions on the road as we go.

**MR. ROY BODDEN:** Thank you, Mr. President.  
I would just like to ask the Member if he thinks that enrollment, strictly in terms of residents, might not alleviate some of the over-crowding of the schools. For example, the one at Savannah where some children who may enroll at the school are actually from outside the district or the constituency of Bodden Town.

**HON. BENSON O. EBANKS:** Mr. President, I was talking to my Principal Secretary. I wonder if the Member could repeat that question? I only caught the last part of it.

**MR. ROY BODDEN:** Yes, Sir. I was asking if the Honourable Member would consider that enrollment strictly on the basis of residents, might not alleviate the problem and give the authorities some better control over the over-crowding. For example, at the Savannah School, I understand many of the children enrolled there are from outside of the constituency of Bodden Town.

**HON. BENSON O. EBANKS:** Yes, Mr. President, I thought I had conveyed that impression in an earlier answer when I said that for example, children that were attending the Savannah School belonged more properly to the Bodden Town School. It is a fact that there are some children from districts other than the Bodden Town Electoral District, in that school. As I pointed out, the over-crowding is not as far as space is concerned, is not as critical as would first appear. As we get into another answer it will become obvious that the department is putting the resources in terms of teachers in the school to cope with whatever increases arise.

**MR. PRESIDENT:** I think the First Elected Member for West Bay after that the Third Elected Member for George Town.

**MR. W. McKEEVA BUSH:** Mr. President, this question is to do specifically with West Bay. Can the Member say what is being done to accommodate those four classes in the Town Hall?

**HON. BENSON O. EBANKS:** I presume what is being done to the Town Hall, as the Member knows, the Town Hall was slated for renovation in any event. Most of that has been done, save, I understand the air-conditioning will be done during the course of the month. In the meantime, the Public Works Department has undertaken to put standing pedestal fans in the classrooms. Temporary dividing screens have been placed in the Hall to divide the classes and a security fence has been put around it to protect children, to the best of our ability, from the traffic.

**MR. W. McKEEVA BUSH:** Mr. President, following on that same supplementary. From the Member's answers you would think that the Town Hall had been completed and ready for class acceptance, when in fact (and I am prefacing this with a statement so that I can get to my supplementary), up until Sunday they were working on the classrooms. So, it is not true to say that it is finished? What I want to find out is, will they be ready in time when classes resume?

**HON. BENSON O. EBANKS:** It is my understanding, yes, Mr. President. It is a fact that workers were there until Sunday and in fact workers were there until yesterday. Yesterday was clean-up day. The building should be ready to receive children today. That is my information.

**MR. PRESIDENT:** I think the Third Elected Member for West Bay because I overlooked him earlier.

**MR. JOHN D. JEFFERSON, JR.:** Thank you, Mr. President.  
Based on the information that the Member provided on the present student enrollment at the West Bay Primary, I wonder if the Member could say whether or not any applicants were refused admission for the September 1990 semester?

**HON. BENSON O. EBANKS:** Not to the best of my knowledge, Mr. President.

**MR. PRESIDENT:** I think the Third Elected Member for George Town was next.

**MR. TRUMAN M. BODDEN:** I had several supplementaries, but two in one area.  
Can the Member give the reason why the George Town Primary has had two years of overcrowding? I think it will be another two years, possibly one, before this new school comes on line. Why?

**HON. BENSON O. EBANKS:** Mr. President, I have pointed out that this term's overcrowding is a nebulous term in this setting. It really does not mean that children will be packed like sardines in classrooms. The question was phrased in terms of classes and unfortunately that was the information given to the Portfolio. Having gone into the matter more thoroughly, it is obvious that the situation is not, as I pointed out as serious as it appears. George Town School was not neglected. The 2,700 square feet multi-purpose hall was given to it last year. That freed up other areas as well as classrooms. The school is really not suffering. We are aware that we have put as many patches onto that school as we can. That is why we are going to a new school. The school is really not overcrowded as such.

**MR. PRESIDENT:** I think that has been satisfactorily covered.  
The Second Elected Member for Bodden Town, I think you were next.

**MR. G. HAIG BODDEN:** Yes, Mr. President.



I notice the answer confines the overcrowding to the Primary Schools. Will the Member say if there is overcrowding at the Middle and High Schools as well?

**MR. PRESIDENT:**

I think that has already been dealt with. They are not mentioned and the question specifically asks, "which schools are, by accepted standards, overcrowded" and those schools to which you refer are not included in the answer and must be deemed therefore to be not overcrowded.

We have had a long time on this question. Are there anymore supplementaries from any Member who has not already asked supplementaries? I think we really have had sufficient time on this very important question and I think it is necessary to move the extension of time. We have gone over 11:00 o'clock. Would the First Official Member so move?

**11:00 A.M.**

**SUSPENSION OF STANDING ORDER 23(7) AND (8)**

**HON. THOMAS C. JEFFERSON:**

Mr. President, under Standing Order 83, I move the suspension of Standing Order 23(7) and (8) in order to allow the questions to continue.

**QUESTION PUT: AGREED.**

**STANDING ORDER 23(7)&(8) SUSPENDED TO ENABLE ALL REMAINING QUESTIONS ON THE ORDER PAPER TO BE TAKEN.**

**MR. PRESIDENT:**

Standing Orders are suspended and we will now move to question No. 137. The Third Elected Member for George Town.

**THE THIRD ELECTED MEMBER FOR GEORGE TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION ENVIRONMENT RECREATION AND CULTURE**

**NO: 137:** Would the Honourable Member say:

- (a) how many teachers have ceased to be employed this year;
- (b) how many new teachers will be employed; and
- (c) whether all teaching vacancies in all schools are filled and, if not, which ones are not?

**ANSWER:**

- (a) Thirty-four (34) teachers having completed their contracted tour of duty have ceased to be employed this school year.
- (b) A total of thirty-six (36) new teachers, including 2 new posts, will be employed this school year.
- (c) All teaching vacancies, including new posts, have been substantially filled. A table of such vacancies as exist with action taken is as follows:-

**GEORGE TOWN PRIMARY**

- |                                |   |  |
|--------------------------------|---|--|
| 1 Teacher of Visually Impaired | - | Teacher in place previously paid under Librarian's Post. As Librarian is now in post, this teacher is being paid from Supply Teachers' Vote and post being established in 1991 Budget. |
| 1 Trained Teacher              | - | Vacancy recently created due to illness of incumbent. No applicants to date.   |

**CAYMAN BRAC HIGH SCHOOL**

- |                                     |   |  |
|-------------------------------------|---|--|
| 1 Teacher of History/Social Studies | - | Candidates interviewed 29th August, 1990, and found suitable now before Public Service Commission (PSC). |
|-------------------------------------|---|--|

1 Teacher of English/Special needs

- Candidates interviewed 29th August, 1990, and found suitable now before PSC.

#### CAYMAN ISLANDS' HIGH SCHOOL

1 Teacher of English/History

- Being covered initially by Supply Teachers. Candidates interviewed 29th August and recommendations for employment sent to PSC.

1 Teacher of General Science

- Being covered initially by Supply Teachers. Candidates interviewed 29th August and recommendations for employment sent to PSC.

#### CREEK PRIMARY SCHOOL

1 Trained Teacher

- Filled on Supply Teacher basis. Candidate interviewed 29th August and recommendation for employment sent to PSC.

#### SPOT BAY PRIMARY

1 Trained Teacher

- Filled by Supply Teacher. Candidate interviewed 29th August and recommendation for employment sent to PSC.

#### JOHN A CUMBER PRIMARY

1 Trained Teacher

- Covered on Supply Teacher basis. Candidate interviewed 29th August and recommendation sent to PSC.

#### SUPPLEMENTARIES:

**MR. PRESIDENT:**

Supplementaries.

supplementary.

I normally would wait for the original questioner to take the first

**MR. TRUMAN M. BODDEN:**

Mr. President, to ask the Member why interviews are being carried out the 29th of August, just a few days before the school is to open?

**HON. BENSON O. EBANKS:**

For various reasons, Mr. President. In some instances teachers have left on short notice, on others, teachers were interviewed previously and offered jobs but did not accept. In fact one recruited teacher came to the island and left to go back home because it was too hot.

**MR. PRESIDENT:**

put your supplementary?

Second Elected Member for Cayman Brac, would you wish to

**MR. GILBERT A. McLEAN:**

teacher? What does the term mean?

Yes, Mr. President. I only wanted to ask, who is the supply

**HON. BENSON O. EBANKS:**

Those are teachers who are resident in the island qualified but not in a stated job and will take a part-time job as and when they are needed in schools.

**MR. PRESIDENT:**

Under Standing Order 23 (3), we will take question 127, the

Second Elected Member for Cayman Brac and Little Cayman.

**STANDING ORDER 23(3)  
QUESTION NO. 127 DEFERRED FROM YESTERDAY'S SITTING**

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS WORKS AND AGRICULTURE**

**NO. 127:** Would the Honourable Member say what percentage of capital work is to be completed in 1990 in each district, including Cayman Brac and Little Cayman, identifying the works expected to be completed.

**ANSWER:** This is a fairly comprehensive question and I will attempt to give as much detail as possible on this as it covers all Government capital works in all districts within the three Islands.

There is no provision in the 1990 Capital Budget for capital projects totalling \$19.8 million in value. While at present there is no single Department of Government charged with controlling and monitoring these projects, the Public Works Department (PWD) has some involvement in approximately \$11.5 million of the projects.

It is currently projected that approximately 200, plus, projects totalling \$7.5 million or 70 per cent in value will be completed in 1990. Because data systems are based on the Budget classifications only, it is not possible to give a district breakdown readily. PWD is currently working on having its computer capabilities upgraded to enable greater manipulation of data.

The PWD 1990 Projects Status Report No. 3 for the period ending 31st August, 1990, is provided as a part of my answer as a source of more detailed information on individual projects with which that Department is involved. Also provided is a shorter report relating to projects in Cayman Brac and Little Cayman with which the Public Works arm of District Administration is involved.

Mr. President, I would just like to explain briefly the Reports to assist Members of the House in understanding what is contained therein.

**MR. PRESIDENT:** Before you go on, I do not have a copy of this Report.  
Is it being circulated with the answer?

**HON. LINFORD A. PIERSON:** It is my understanding that the Serjeant had circulated this, Sir.

**MR. PRESIDENT:** Thank you.

**HON. LINFORD A. PIERSON:** Mr. President, it should be noted that the ability of the Public Works Department to expend the funds budgeted on an annual basis is dependent on the stage to which a project has been prepared prior to its inclusion in the budget. The Government is mindful of the situation and is looking into how improvements can be made to the budgeting process to better ensure that budgeted allocations bear better correlation to the stage to which projects are prepared.

I would like to refer briefly to the Project Status Report No. 3, which is the big green paper and I do not plan to go through this in detail as we have 31 pages of computer print out here. But just to mention that this is not an unusual report. We receive these on a quarterly basis from the Public Works Department, so each Member of the House should be fairly well acquainted with its contents. But, just to mention for the ease of understanding this report, you will note that on the cover page we are dealing with Capital Heads 40, 41, 42 and 43 and there is a key on the right hand section of the front page dealing with the project status stage designations. You will also note on the front page, that there are certain abbreviations such as C, EA and so on. For ease I just like to explain what that means.

C - means	Chief Engineer.
EA - "	Executive Architect.
EEB - "	Executive Engineer Buildings.
EEE - "	Executive Engineer Electrical.
EER - "	Executive Engineer Roads.
EQS - "	Executive Quantity Surveyor.
SSBM - "	Senior Superintendent Building

ACCT - "	Maintenance.
SSRC - "	Accountant.
	Senior Superintendent
SSBC - "	Road Construction.
	Senior Superintendent Building
	Construction.
SSM - "	Senior Superintendent
	Mechanical.
JEA - "	Junior Executive Architect.
QS - "	Quantity Surveyor.

I believe that in this particular Report perhaps it would be helpful if Members could just have a look on page 1, they will see the details of the Capital Heads and the amounts that were originally estimated. In the fourth column are the amounts that have been approved for 1990.

I also believe that page 6 is perhaps of most importance or interest to Members as this deals with the construction of road, the capital cost of roads. On this page Members will see all details of roads in each district starting with West Bay. It will show the amount that has been approved, the commitment and expenditure during 1990 and the status report on each one. This really means the percentage of completion. You will see COMP. which means complete or it could be just in the survey stage, it could be in the tender stage etcetera. So this gives a lot of detail.

Also on page 15, there was a question asked yesterday by the Member for East End and I had undertaken to provide this in writing but this information is also contained in this Status Report as regards to status on ramps in the various districts.

I believe that since this question is being asked by the Second Elected Member for Cayman Brac that he would be particularly concerned with the capital works in Cayman Brac and Little Cayman. Because of this and this is fairly short, I would like to deal with this in greater detail. This is split up under three areas, roads, buildings, and other. Just to say that there were six roads listed here, the Guy Banks Road in Little Cayman which is being completed, Jackson Road, Island Road in Little Cayman is completed. That is adjacent to the Power and Light Facilities. The East End Link road Little Cayman, that is in progress and will be completed by the 31st of October. The Minor Roads Cayman Brac completed, the Farmers Road Cayman Brac completed. Ashton Reid Drive Cayman Brac is completed.

Regarding buildings, the installation of Stand-by Generators in Hurricane Shelters has been completed. Replacement of Hurricane shutters completed, replacement of the roof of the District Officer's Little Cayman and Teachers Cottage Cayman Brac buildings is completed. Industrial Arts Classroom block to commence at the end of this month. The District Administration Office and Faith Hospital has been deferred to 1991 and the funds reallocated to the Industrial Arts project. Addition to Public Works Staff quarters in Little Cayman to commence mid October and to be completed by end of December.

Other, Mr. President, (that is the category under Other), Land Fill-New Garbage Dump site is in progress and should be completed by the end of October at a cost of \$50,000. The seawall at the Spot Bay Cemetery to commence at the 1st of November and should be completed by the end of December.

Thank you, Mr. President.

#### SUPPLEMENTARIES:

**MR. PRESIDENT:**  
information.

I almost hesitate to ask for supplementaries with this quantity of Supplementaries.

**MR. GILBERT A. McLEAN:**

Thank you, Mr. President.

There was quite a lot of information given to this question and one question I would like to ask is contained in the answer which says:

"While at present there is no single department of Government charged with controlling and monitoring these projects,".

It has always been my understanding that the Government agency charged with monitoring Government projects was the Public Works Department. Could the Member explain if this is the case or not?

**HON. LINFORD A. PIERSON:** Mr. President, to clarify that part of the answer, there is a significant amount of capital allocation that really does not concern Public Works, for example the purchase of land. That would be one such example.

**MR. GILBERT A. McLEAN:** Mr. President, I am aware of that part of it having been in Government a little bit myself. I was talking about projects, not purchase of land. Purchase the performance of works.

**HON. LINFORD A. PIERSON:** Mr. President, I was dealing with the Capital Budget. Most or all building projects and road projects are dealt with by Public Works Department, that is correct.

**MR. PRESIDENT:** The Elected Member for East End.

**MR. JOHN B. McLEAN:** Mr. President, on the matter of ramps, I notice from this report that a lot are listed as not having estimates from the Public Works Department. I wonder if the Member could say what is taking so long to get the estimate for, example, the one in Gun Bay?

**HON. LINFORD A. PIERSON:** Mr. President, seems we have not a complete answer on this but it would appear that there was some problem regarding to the finalization on the acquisition of the property involved.

**MR. JOHN B. McLEAN:** Mr. President, I wonder if the Member could say whether or not it is a fact that the owner of the property, myself, and a representative from Public Works, Lands and Survey went on the site and agreed on the property. As far as I knew, nobody said anything contrary to me, it was just left to the owner and the Lands and Survey to complete.

**HON. LINFORD A. PIERSON:** I am advised, Mr. President, that the area of land is with the Lands and Survey Department being finalised as to what area will be parking and so on and so forth. That is what is holding up the progress.

**MR. PRESIDENT:** Time to take the tea break.  
Proceedings are suspended for 15 minutes.

**AT 11:21 A.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 12:05 P.M.**

**OTHER BUSINESS  
PRIVATE MEMBERS' MOTIONS**

**MR. PRESIDENT:** Proceedings of the House are resumed.  
Item 3 on today's Paper, Private Member's Motion No. 19/90.  
The First Elected Member for Bodden Town.

**PRIVATE MEMBER'S MOTION NO. 19/90  
IMPROVEMENT OF CIVIC CENTRE AND  
CONSTRUCTION OF PLAY FIELD IN BODDEN TOWN**

**MR. ROY BODDEN:** Thank you, Mr. President.  
I beg to move Private Member's Motion No. 19/90, standing in my name and entitled: Improvement of the Civic Centre and construction of playing field in Bodden Town, which reads:

**WHEREAS** there is no playfield in Bodden Town other than those at the Bodden Town and Savannah Primary Schools;

**AND WHEREAS** there is great demand for the use of the Bodden Town Civic Centre;

**AND WHEREAS** it is considered there is need for improvements in the provision of such facilities;

**BE IT RESOLVED** that Government examine the possibility of air-conditioning the

Civic Centre and constructing a play field on the adjacent property.

**MR. G. HAIG BODDEN:**

Mr. President, I second the Motion.

**MR. PRESIDENT:**

seconded, would the mover wish to speak to it?

Private Member's Motion No. 19/90, has been duly moved and

**MR. ROY BODDEN:**

Thank you, Mr. President.

Mr. President, it is a well established fact and certainly one which has recently been borne out by the preliminary results of the census that the Bodden Town area is the fastest growing residential area in this country.

The Civic Centre, as it exists has always been popular among Bodden Town people and its popularity as a result of the increasing population in that area is growing. The Civic Centre is now regularly used by at least one Church congregation and it is certainly popular among young couples for their wedding receptions. Over the summer my colleague and myself attended, I believe, two such functions and we noted then the uncomfortableness largely as a result of proper ventilation. I must say that the building has many windows, the problem is that the two exhaust fans (and there are two of them), are now disconnected but in addition to that, the building being so large, when there is a large crowd of people on a calm day, the heat really does not dissipate well enough and great discomfort is experienced.

I believe that it would be a wise move if the Government takes this into consideration and would even be prepared to suggest that certainly the patrons would not object even if the fees to use the Centre had to be increased to take into consideration the expenditure incurred in air-conditioning it.

Because of the parking availability, most people who use the Centre, and particularly for large occasions, prefer it in preference to the Town Hall which is, as far as location is concerned, situated in a more central location in the Bodden Town area. The Civic Centre is sufficiently far off the road and the parking facilities are ample so that the people prefer that. In addition, when Civic or social functions such as dances are held there and when liquor is dispensed, it is also very close to the Police Station so that there is also adequate social control there and it is popular among all sectors. The young people of Bodden Town utilize the extensiveness of the hall for badminton and I believe that air conditioning is preferred over the use of ceiling fans because the ceiling, as it is presently constructed, would not lend itself easily to the construction of over-head fans and certainly when playing games like badminton, air-conditioning would have less of a negative effect on the game as would over-head fans.

The building is situated on an extensive property. I believe that some preliminary work has already been undertaken in respect of the development of a playing field. What happens now is that the playing fields in Bodden Town, one at the Savannah School and the other at the Bodden Town Primary School, are not of the proper size to construct a full sized football field. Additionally, the playing fields can only be utilized by the public when they are not being used by the schools because the playing fields now existing are schools playing fields.

Again, the young people in the community are of sufficient numbers that some of the them are interested in different types of games. What happens is that when some are practicing or playing soccer, for example on the Bodden Town playing field, then there are no facilities for any other field games, for example, softball or volleyball. At the Civic Centre we already have hard courts constructed and according to information we have those courts will soon be lighted. If there is an outdoor full size playing field which can accommodate soccer, that will give the young people of the community an added advantage because for the past years we in Bodden Town have had to have the disadvantage whenever we play soccer, we have always had to play, (I would not say on hostile territory), but certainly territory which was not favorable to us. Namely, our team had to travel to either West Bay or George Town and experience some of their hospitality which, in many cases, it was not bad, but it certainly was not conducive to our winning. We would like to be in a position to be able to reciprocate. Give them some Bodden Town hospitality and perhaps increase our chances of winning some more matches.

I hope that the Government will see fit to entertain this very reasonable request.

Thank you, Sir.

**MR. PRESIDENT:**

The Honourable Member for Education.

**HON. BENSON O. EBANKS:**

Mr. President, Government has no problem with this Motion. As has been pointed out, preliminary work has already been done as regards to the playfield. Boundary and level surveys are now with Public Works Department and a decision will be made as to exactly what can be accommodated on the land and what it will cost to fill it. Hopefully we can get that money in the 1991 estimates.

I am afraid that I am not in a position to be more helpful than that at this time because I do not know what the survey has revealed. It is still with Public Works, we have not received a copy of it at the Portfolio yet. Certainly from all appearances there should be no problem to get a full size football field on it as well as maybe other amenities. It is Government's intention in keeping with its policy to improve playing fields and provide playing fields in districts where they do not now exist and to upgrade those that do have some.

As regards the Civic Centre, Sir, we certainly will have a look at this. It was interesting to hear the Member say that maybe some of the discomfort is caused by the fact that two

exhaust fans are disconnected so that maybe it will not be as expensive as it seems to correct the discomfort. If in the final analysis, what it takes to make the building comfortable is air-conditioning, Government will certainly give consideration to that.

I would just say that I believe to air-condition it merely to play games is being a bit over generous in that when one goes out to exert themselves they usually hope to lose some weight and there is no better way to lose it than by sweating some of it off. Nevertheless, I know that Cayman is changing and we will certainly have a look at that aspect of it.

So with those few words, Government is prepared to accept the Motion as worded, Sir.

**MR. PRESIDENT:**

The Member for East End.

**MR. JOHN B. McLEAN:**

Mr. President, I rise to offer my support to this Motion. I would say that it is a very important one. Speaking of Civic Centres not only in Bodden Town, but also in other parts where they exist, they are large investments by the Government and I agree wholeheartedly with the Member who moved this Motion, that air-conditioning the buildings is very necessary for several reasons.

It is a known fact that if those buildings are air-conditioned, it will maintain the interior much better and it will definitely add comfort when the buildings are being used. Not as the Member from Government said awhile ago for games, but on other occasions such as wedding receptions, dances or whatever other social events.

I have recently made a request to Government for the same thing in the Civic Centre in East End and I was hoping that the Member who spoke from Government would have enlightened me as to what was being done about the one in East End.

**MR. PRESIDENT:**

I am sorry we are getting a little away from the Motion which is quite specifically about the Bodden Town Civic Centre.

**MR. JOHN B. McLEAN:**

I take your ruling, Sir.

**MR. PRESIDENT:**

I think it is fair to make your point, but I do not think it should go on too long.

**MR. JOHN B. McLEAN:**

I will not, Sir, I was just making a point.

On his mention about the exhaust fans, I have to point out that regardless or not, if they are connected or not connected, they cannot do the job for the size of the building. Furthermore, on occasions when a function is going on, they are far too noisy to do justice.

To point out what the air-conditioning of such buildings could do, I would say that the old George Town Hall is a great example. Because, what was very miserable to sit in before is almost a pleasure to sit in now.

Speaking of the field in Bodden Town, again I am pleased to hear from the Member that he will be taking a look generally at all districts and that whatever possible that he can do to upgrade the fields through-out the island will be done.

Again, Sir, I will not wander from the Motion, but the point I have to make which is quite necessary not only in Bodden Town but in my district too.

With those few remarks Sir, I support the Motion.

**MR. PRESIDENT:**

The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:**

Mr. President, I would just like to strengthen the case for these improvements in Bodden Town. I must say that I am grateful to Government for its acceptance of this Motion and trust that the Member will endeavour to meet our expectations.

With regard to the playfield, I must say I think this is very necessary because children and young men and women need such a facility. I believe the facility must be in the district where it can be used every day or every week because the battle against drugs will never be won unless we have areas in which young people can occupy their time and can be involved in competitive sports and areas that really take control of the mind and the children have something to look forward to.

We have received many complaints from the schools, particularly a few years ago when the playfields were used by adults or by bigger children. At one time there was even a problem with destruction of some of the property at the schools. I think it is necessary to have a facility separate from the schools. As my colleague mentioned, Bodden Town is no longer the little sleepy town that it was some years ago. We have a vibrant and a growing population which is making new demands on all the facilities and I think it is necessary for us to keep up with this.

In regard to the air-conditioning of the building, I see this as a necessity. It is true when the building was first put up exhaust fans had been put in. I believe this at the time was experimental in that this type of construction and these types of fans had not been used for similar buildings. The result has been disappointing and even from the outset when the fans functioned properly we found that there was not proper ventilation. I believe that if the building were air-conditioned it would be used more than it is being used now. I understand, in some instances, the charge of the building is as little as \$10 per night. If the building was to be air-conditioned, the fee could be increased and that would help offset the cost of the electricity.

Although this is not a part of the Motion, there is, in Government's Capital, Works some provision for offices for Members of the Legislative Assembly (MLAs) and I think at Bodden Town it has been accepted that these offices would be in the Civic Centre. At the present time the two offices exist, but I believe they can only be used if the offices are air-conditioned. This would be a part of the overall improvement to the building.

will support it.

I recommend this Motion to the House and trust that Members

**MR. PRESIDENT:**

Would the Mover wish to reply?

**MR. ROY BODDEN:**

Thank you, Mr. President.

I would wish only to thank the Government for its undertaking through the Honourable Member under whose Portfolio this responsibility falls on behalf of this side of the House and my constituents.

I would also like to say that I did not intend to suggest that the building should be air-conditioned only or exclusively for the purpose of playing games, but merely to point out that air-conditioning is preferred over the use of over-head fans. For some facilities such as this one which is a multi-purpose facility, I would like to suggest, and in this I am not clear whose Portfolio assumes responsibility for this, also when looking at the improvement of the facilities, the respective Portfolios may also want to have a look at setting up a proper management committee or a management system for the building.

I am happy to say that vandalism is not a problem as the young people are very responsible but sometimes difficulties are encountered in obtaining a key to the property or in ensuring that users of the property leave the premises clean and tidied. I would also request, as I noted very recently, that there is an absence of some garbage receptacles on the compound, but I intend to make a point to the Public Health Department about this.

Again, I wish to thank the Government for their undertaking and I look forward in the very near future to being able to utilise the comforts of an air-conditioned Civic Centre and certainly a well constructed playing field in Bodden Town.

Thank you.

**QUESTION PUT: AGREED.**

**PRIVATE MEMBER'S MOTION NO. 19/90 PASSED.**

**MR. PRESIDENT:**

We now move to Private Member's Motion No. 20/90, but before the mover moves it, I would like to confirm what I said at our last meeting, which is that the three Official Members will not be speaking and will abstain from voting on this Motion. This is in accordance with precedent and although, as I said before, I am not sure it is a sound precedent, I think it is probably better that we should follow it and certainly the Official Members themselves have expressed that wish.

The other point I would make is that in the opening line of the Motion, as I have it in front of me, it should be section 32 not section 12 referred to in the typescript.

The First Elected Member for West Bay.

#### **PRIVATE MEMBER'S MOTION NO. 20/90**

##### **OFFICE OF THE SPEAKER**

**MR. W. MCKEEVA BUSH:**

Mr. President, before I move the Motion I would point out that section 12 was just a typing error as the Resolve section deals with section 32.

Mr. President, I beg to move Private Member's Motion No. 20/90, standing in my name which reads as follows:

**WHEREAS** Section 32 of the Cayman Islands (Constitution) Order, 1972 provides that the Governor may in his discretion appoint a Speaker of this Assembly;

**AND WHEREAS** it is considered that the business of this Assembly and of the Government has evolved to such an extent as to necessitate the separation of the offices of President of this Assembly and of the Governor;

**BE IT RESOLVED THAT** in accordance with Section 32 of the Cayman Islands (Constitution) Order there shall be an Office of Speaker;

**BE IT FURTHER RESOLVED THAT** if an Office of Speaker is created that the whole House recommends to the Governor a list of candidates for the appointment to the Office of Speaker for consideration so that an appointment can be made.



**MR. JOHN D. JEFFERSON, JR.:**

Mr. President, I beg to second the Motion.

**MR. PRESIDENT:**

Before I call on the mover to speak to his Motion, I should have pointed out that this is not a matter of collective responsibility. The Elected Members of Executive Council will be speaking and voting in accordance with their own individual decisions.

The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:**

Mr. President, this Resolution I believe, is one which is of paramount importance to Parliament and to democracy as a whole. The creation of the Office of Speaker would be the beginning of real democracy in this Legislative Assembly.

I say this because there are at times when one questions whether true democracy is at work. In my opinion (and I stated this before and I say it again, and these are the main reasons why I move this Resolution), true democracy, Parliamentary democracy can never exist as long as the situation prevails. That is, that there are Governors who sit as Presiding Officers in this Legislature, sit as Chairmen of Executive Council, and in turn are responsible for the departments in Government as important as police, defence, immigration, Customs, indeed the entire Civil Service.

The cornerstone, and indeed the success of Parliamentary democracy, depends greatly on the impartiality of the Speaker. But also on his indifference to favours and frowns of the Executive. It is essential in the interest of both Government and the functioning of Parliamentary democracy that all the important matters which we as representatives have to deal with and questions which sometimes affect the departments that His Excellency the Governor is responsible for, that we deal with these in a fashion that leaves no doubt that the people's business is being handled fairly.

Mr. President, that this House must be free is a fundamental question for Parliament. That Members should be free, free to be as critical of the Government and the raising of questions affecting individuals and grievances of humble citizens in order that they may be ventilated. That is what we are here for and our work must never be curtailed.

To get back to the point before I move on, I would say that we are free, free to say and to debate in concurrence with the Standing Orders.

Originally it was thought that it would be a good thing to have the Governor in the Chair as Presiding Officer of this House because then he would be here to listen to what Members had to say on matters, especially these matters concerned with his Portfolio. That was some time ago, many years back and in those days there was no communication, no radio and very little press reporting. Of course, the work of Executive Council was much different and the work of Executive Council did not range into all of the departments and the areas they are touching today.

It was probably a good idea for those days but today is different - circumstances, the issues, demands and otherwise. I hold that it is very necessary for any person who aspires to fill the high Office of Speaker to lay aside all that is personal, all that savours of political predilection and to submit everything to the greater interest of the House. To maintain not only the written Law but to maintain the conventions and precedents of Parliament, the unwritten Law.

Mr. President, as I said, circumstances, the issues of the day demand a change. Where it would have been ideal for the Governor to continue to be here as Presiding Officer as President, was if we had had a situation in this House where we had very few interruptions from the floor, very few Points of Order of explanations or there were no divisions or he hardly had to give a ruling. That would be a good position, would it not? I imagine any Presiding Officer would like that situation very well. But this can never be so in this House when there are divisions that we have. Let no one fool us, fool ourselves or fool themselves, there is going to be continued political division.

There is going to continue to be a working of the party system as we see it going on in this Assembly. Two sides, not the way that we had envisioned years ago or that it was years ago. The winds of change have blown. There is virtually two sides, if not parties.

Like every holder of a great office, the Speaker's life is one of service and a difficult position to be in. There is no doubt about that. Mr. President, he is the servant of the House not its Master. The authority which he has is the authority of the House which he must exercise in accordance with the interests and the wishes of the Standing Orders of this Legislature.

So, in regulating the course of debate, in calling on Members to speak, in ensuring that the established conventions of debate are observed and also in utilising the powers as I said which are conferred on him by the Standing Orders, he is implementing and interpreting the will of the House. There can never be one rule for me and another rule for another Member. That is not Parliamentary democracy. It is not in the interests of proper workings of a Legislature. As the saying goes, he must be like Caesar's wife, not only must he be pure but he must be above suspicion.

**MR. PRESIDENT:**

I think it may be time to break for lunch.

Before we do, I assume I am correct in that most of what you have been saying is a statement of the ideal and has no particular reference.

Proceedings are suspended.

**MR. W. McKEEVA BUSH:**

I would like to reply to that, Sir.

**MR. PRESIDENT:**

By all means, is my assumption not correct?

**MR. W. McKEEVA BUSH:**

Sorry?

**MR. PRESIDENT:**

Is my assumption not correct?

**MR. W. McKEEVA BUSH:**

You know you are correct.

**MR. PRESIDENT:**

That is fine.

**MR. W. McKEEVA BUSH:**  
moved it the last time.

And I am not saying anymore now than what I said when I

**MR. PRESIDENT:**

Fine.  
Proceedings are suspended until 2:15 p.m.

#### AT 12:45 P.M. THE HOUSE SUSPENDED

#### HOUSE RESUMED AT 2:21 P.M.

**MR. PRESIDENT:**

Proceedings are resumed with the debate on Private Member's Motion No. 20/90, the First Elected Member for West Bay continuing.

**MR. W. McKEEVA BUSH:**

Mr. President, when we took the adjournment or the lunch break, I had pointed out that for proper workings of representative Government, Parliamentary democracy, we needed to place an independent Speaker in the Legislature. I had pointed out the partiality that could exist because of the involvement of the Governor. Therefore, it is best that we have this changed.

There is always a question whenever this matter is raised and I do not know what the objections are going to be this time, but one I have heard raised quite often is - who are we going to get?

Mr. President, I feel today we can get a Caymanian to be a Speaker of the House. There are qualified Caymanians and if some of us here say, we cannot get one who is honourable and just to uphold this high Office, Mr. President, I say their thinking is unfortunate and backward. There is always this attitude, that Caymanians cannot do this or Caymanians cannot do that, hold this office, or that one, or the time has not come yet. That attitude seems to prevail when the opposite is so true. Why is it that there are those who have that pessimistic, cynical and even derogatory view that a Caymanian cannot fit the Office of Speaker? We must show them that the opposite is true.

Some might say that because of our type of Legislature it cannot work. We have to get a change or to look at a review first. I suspect that that will be the new excuse this time. This is the third time that this Motion is being moved, we know what the other excuses were - we could not get anybody - the time was not proper - they could not support it then.

I hasten to condemn those who experiment with that which maintain the basic or some basic fundamental principles of democracy only in substance but not in form. I support a form of Government under which democratic principles are maintained and fundamental freedoms upheld. As Parliamentarians we should agree that Parliamentary Government, if it is to remain democratic, must be based on certain democratic principles. Most important is freedom of speech.

Once again I move to invoke that section of our Constitution which makes it possible, section 32, which makes it possible for the Office of Speaker to be created. I make the move because I believe we have reached a time and place in our development when we must create the Office. Certain conditions and situations of recent times demand that we do create the Office of Speaker, so that when decisions are made there can be no question on Her Majesty's Representatives that there is that impartiality. That is a key factor in the moving of this Resolution. Impartiality, which demands that decisions are made freely and firmly without fear or favour to any Member - Government or Backbencher.

Mr. President, I see the creation of this Office stopping that serious misunderstanding. It is one reason why I moved the Resolution that the President, when in the Chair is still the Governor, when in fact that is not so. One of the main reasons is to remove the Governor from the House and I believe that would help to remove the Queen's representative from any controversy in this House.

It is recognised that the Speakership of Parliament is one of the most honourable, dignified and onerous offices in the world. It is my opinion that the office of Speaker does not demand rare qualities, it demands common qualities to a rare degree.

I see a successful Speaker as not somebody with super human intellect; not a dictator, he does not need to be infallible and like everybody else that person should be entitled to his human failings provided he is not inconsistent with the Chair he occupies in the Legislature.

The qualities which I think are a must for anyone to be called upon to hold the high Office of Speaker is first and above all, impartiality, as I see it that firm unwillingness not to allow his Office to be used by anyone. Confidence in the impartiality of the Speaker is said to be an indispensable condition of the successful workings of procedure and many conventions exist which have as their object not only to ensure the impartiality of the Speaker but also to ensure that his impartiality is generally recognized.

Then there is integrity, common sense, tact, patience and a

sense of humour. I remember, Mr. President, once when Mr. Lloyd was here, we had a discussion on no smoking. I said in my short contribution that I trust that when we went back to Government House those long foul smelling cigars would not have been used after dinner. The next time that I visited Government House and after the dinner, Mr. Lloyd came out with a cigar about a foot long and about two inches wide and tried to get me to smoke it. We all had a laugh at that one, but that broke any ground that might have felt to be disrespect.

That is another thing that is needed - camaraderie - even though the Speaker is a person held off from the rest of the House as such, is aloof, but still there is that friendship which I miss most.

Presence of mind, self-confidence, firmness coupled with kindness, these are the qualities that I believe are needed in a Speaker and I believe we can find them with the degree of respect the Chair will get it depends on the character and deportment of the occupant.

This House is the bastion of representative Government in this country, representative Government is all about democracy and if true Parliamentary democracy is to continue in its true sense, then we must regard this House as sacrosanct. Not to be violated, subverted or perverted, but to be respected and to be defended. All of us as Members have that duty to uphold the principles set down by those who have gone on and have served so well in these Islands.

These days we are stepping on ground where angels feared to tread in the past. The Speaker forms an integral and essential part of Parliamentary systems and without the impartiality of the Office the machinery of representative Government is hampered and impaired. I take great pleasure in moving this Motion again, I trust whatever the results the will of the majority will be carried out expeditiously and honourably.

Mr. President, I hope all Members have searched their consciences and will let this Motion pass unanimously.

Thank you.

**MR. PRESIDENT:**

Does any other Member wish to speak? If no other Member wishes to speak...the Honourable Member for Tourism.

**HON. W. NORMAN BODDEN:**

on Private Member's Motion No. 20/90.

Mr. President, I rise to make my brief contribution to the debate

Based on my calculation of what I think will happen with this Motion, it is my view that the Motion will be passed, but as I have been released from collective responsibility in this matter I will therefore exercise my right to speak briefly and in the final analysis to vote according to the dictates of my conscience.

Mr. President, I have no reason, no ulterior motive to oppose any Motion that might be brought to this House other than if in my opinion it is not in the better interest of the country to support such a matter at this time, to vote against it. That, Mr. President, will be my position.

The mover of the Motion has pointed out the advantages of having a Speaker for our Legislative Assembly other than the Governor and I will agree with him and admit that there are certain benefits in this. However, in my opinion there are certain disadvantages as well. It is like every other debate or argument or discussion that might develop, there are always two sides.

I offer no new reason for my opposition to this. This is the third time that such a Motion has been brought before the Legislative Assembly and I think that the mover said in his opening remarks in explaining to you that he was saying no different this time from on other occasions when he brought a similar Motion.

I can take that same position because I am saying no differently from what I had to say, I think it was in May last year, the last time that a similar motion was brought and I took my position to oppose it.

I have often heard the comment used repeatedly in this House on less important matters than this and a comment that was repeated as recently as yesterday or the day before, the words were used; "as much input from the public as possible must be sought." Much emphasis continues to be placed on this in this House, that is public input.

Last year in May when I spoke on a similar motion, I had this to say and my position remains the same today and I will quote what I said:

"As far as I am concerned these (changes) could relate mainly to Portfolio operations and change of title items. But until a proper review is made, and the input of the people of this country taken into consideration, I am not at this time prepared to support what I consider can be interpreted by some sectors or in some circles as a chiseling away in a piecemeal fashion at the Constitution of the Cayman Islands."

I also went on to say that:

"Several concerned citizens of this country have let me know (in no uncertain terms) that they do not support the change this Motion is calling for."

Mr. President, that still remains my position today. I have had no reason to think otherwise.

At the June meeting of this House, a motion was passed to ask for a Constitutional Review and it remains my firm opinion that any change in regard of the appointment of a Speaker should be deferred until the Constitutional Review has been completed and proper input from the people of these Islands obtained in that regard.

Reference was also made to the availability of Caymanians who are experienced and qualified and with the ability to fill this important position in our Legislature. There is no doubt in my mind that we have Caymanians who are capable of filling this position, and as I have said before, I was never ever concerned about the availability, but I remain concerned about the acceptability.

Additionally, while there are Caymanians who can fill this position, I sometimes wonder in spite of that whether there are any who are willing to take up this responsibility. Perhaps this is something that is left to be established.

Mr. President, with those brief remarks it remains my position as I have said, that such a move should await the outcome of the Constitutional Review and, therefore, it is my position that such a move is not in the better interest of this country at this time. Therefore, I am unable to support this Motion and when it is put to a vote I will exercise my right and vote against Motion No. 20/90.

Thank you, Mr. President.

**MR. PRESIDENT:**

The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:**

Mr. President, I support the Motion which is before the House. I can see no reason at all why the implementation of this Motion should await any Constitutional Review.

This Motion cannot, as the previous speaker said, chisel away at the Constitution or in any manner at all be called a piecemeal amendment. This Motion seeks to implement section 32 of the Constitution, a section which has been there ever since August of 1972 when the present Constitution was ratified.

Section 32 makes provision for the Governor to be the Presiding Officer in the Legislative Assembly but it also offers an alternative whereby the Governor as Presiding Officer could be replaced by a Speaker, providing of course there is a majority resolution in the legislative assembly. Section 32 also makes provision for the senior member of the government to hold the office of presiding officer in the absence of the Governor.

We know that the House recently passed a motion, by majority, which seeks to review the Constitution. I cannot understand why anyone would object to implementing a part of the constitution which is now 18 years old and yet be willing to proceed with a review when provisions made 18 years ago have not yet been implemented.

The action to establish the Office of Speaker has been taken several times in the past. I remember that shortly after the arrival of Mr. Russell as Governor, he, in an informal meeting with the Members of the Legislative Assembly, asked the Members whether they would proceed with the very action which this Motion here today seeks to do. At that time the majority of the Elected Members did not agree to go ahead with the appointment of a Speaker. Since that time motions have come to this House and it is my understanding that one such motion intending to replace the Governor with a Speaker had been narrowly defeated.

As we are on the eve of a Constitutional Review, which may or may not result in substantial advancement of the Constitution, I would think the time is ripe to find out whether the Office of Presiding Officer would be better filled by the Governor or by a specially appointed Speaker.

The appointment of a Speaker does not make any change in the Constitution whatsoever, nor is the Speakership itself any unusual office. If we follow the United Kingdom Parliament we will find that the Office of Speaker dates back to time immemorial. Hundreds and hundreds of years of experience with Speakers have shown in the United Kingdom Parliament that the office is a venerable and important one. It seems to me that the Speakership of a Parliament seems to grow, seems to be enhanced by the effluxion of time.

The Member who opened this debate mentioned the impartiality of the Speaker and I would only like to emphasise that the key to good Parliamentary democracy is determined by the authority and the impartiality of the person in the Chair. A Parliament will not be better than its own Speaker.

Also, it is my belief that Members of the Parliament must have the utmost confidence in the impartiality of the Chair so that they are individually able to accept what may seem to them even as the most controversial or unfair ruling. It is my firm belief that a person who is in no way connected with the workings of the Government such as the Executive Council and other areas of Government work is of real importance to the proper functioning of the Parliament.

The Speaker himself fills a role which is by its peculiar nature just as important as that of our Chief Justice. The rulings which a Speaker makes actually constitutes proceedings which serve as guides for subsequent speakers and subsequent Parliaments. The Speaker having authority over all Members, is responsible for the observance of the rules of the House. As such I feel that this role can be filled much easier by an independent person.

It must be difficult for a person in the Chair who has accepted a Government's policy to attune his ears even to listen to debate against that policy. One of the fundamental requirements of a good Speaker is that he personally takes no part in the debate and that he votes only when there is a tie and that vote, when cast, precludes any expression at all of opinion upon the merits of a question. I believe in order to carry out all these functions in a way that all Members are convinced that the Speaker has acted

properly, requires the appointment of an independent person as Speaker.

To sum up, we are on the very verge of a Constitutional Review, and it is my firm belief that this Review may result in advances in the Constitution. Because of this, it seems very foolish to move into a new area when we have not yet tested all of the sections or all of the provisions made by our existing Constitution. I believe the hour is at hand when, if we are ever going to know whether an independent Speaker will function, we must try it out now.

I feel sorry for Members who took fixed stands against this Speakership and now find it difficult to change their minds. I once myself voted against the appointment of a Speaker, but I am grateful that in the light of new knowledge and in the light of current circumstances, I can see the necessity for and the advisability of having an independent Speaker so that we may guarantee that democracy will not only remain with us, but will continue to flourish in the years which are ahead.

**MR. PRESIDENT:** Does any other Member wish to speak? This is of course a non-partisan issue so I hope that Members are not waiting for other Members of the other side, so to speak, to speak. If there is such reluctance I shall shortly after invite the mover to reply. I know we are all keen to get the business of the House dispatched. In that case would the mover wish to exercise his right of reply?

The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:**

Thank you, Mr. President.

I am delighted to be in this Legislative Assembly at this time and to once again have the opportunity of debating a Motion for the creation of the Office of Speaker.

On the first occasion I supported the Motion when it was brought and since that time I feel more strongly that the creation of the Office of Speaker is a progressive step in the right direction. It is not a question of changing the Constitution to create the Office of Speaker, because the provision is in the Constitution and has been there now for some 18 years.

Section 32 clearly sets this out and it reads:

"32. (1) At sittings of the Assembly there shall preside-".

**MR. PRESIDENT:**

I am sorry to interrupt you, but that has already been made and I am going to impose with due impartiality the rule about repetition. That point has been made in detail by the Second Elected Member for Bodden Town. As I have explained on previous occasions, you can of course say, you support the point. But in the interest of expedition of business, please do not repeat it all in detail.

**MR. GILBERT A. McLEAN:**

I suppose, Mr. President, that I could point out that this provision in the Constitution leaves the matter of appointment totally in the discretion of the Governor. I was coming to that in section 32.

**MR. PRESIDENT:**

I think that will be entirely reasonable but the preceding speaker did read out the section in detail, but he did not deal with that point. So that is entirely in order to take that point.

**MR. GILBERT A. McLEAN:**

Thank you.

I was about to make the point that it is provided for in the Constitution and that the Constitution provides that the Governor acting in his discretion may appoint a Speaker of the Legislative Assembly. This person can be someone whether or not a Member of the Assembly who is qualified and not disqualified to be a Member of the Legislative Assembly. This would only come about and could only come about after the Legislative Assembly has passed a resolution that there shall be an Office of Speaker.

This varies somewhat from the way it is in other Parliaments of the Commonwealth, in that there is distinct official party lines and the Office of Speaker has from the earliest inception been in place. Each incoming Government elects a Speaker which varies somewhat from the way it is set down in our Constitution. In this respect we will not necessarily be fitting to the norm because in such elections when the party in the majority has elected a Speaker then that person is indeed the Speaker. It varies here in that that particular rule does not apply, it is left at the discretion of the Governor.

However, this Motion does ask that recommendations be made by the House to the Governor giving a list of candidates for the appointment of Speaker. To my own mind, the framers of the Constitution left out a very vital point and that was, that it should properly have been the will of the majority of the House at least even though we do not have parties and so that could not apply.

**MR. PRESIDENT:**

It is nearly time to take the break.

I was going to make this clear later on, but if this Motion succeeds and I have not yet considered the detailed arrangements necessary, but I would like Members to be quite certain that the wishes of the House, either individually, jointly or in groups, however, are of the first consideration in reaching and finding a suitable and acceptable candidate. I would like that to be absolutely clear. Whatever the Constitution does say about the Governor's discretion, I think that is most important.

I will repeat that later on if you feel it needs to be, meanwhile proceedings are suspended for 15 minutes.

## AT 3:20 P.M. THE HOUSE SUSPENDED

## HOUSE RESUMED AT 3:42 P.M.

**MR. PRESIDENT:** Proceedings of the House are resumed the Second Elected Member for Cayman Brac and Little Cayman continuing.

**MR. GILBERT A. McLEAN:** Mr. President, when we took the tea-break, I was speaking to the point that in the provisions in our Constitution it is at the discretion of the Governor who is appointed as Speaker and the President intervened to say that it would be based on recommendations from the House on this particular respect.

I think it is vital that in deciding who should be appointed as a Speaker that this be arrived at through, ideally, a consensus or certainly a majority. This would follow in a democratic vein and of course the Speaker is the individual in the Parliament who must attempt to balance views between the two sides. This is pointed out in a book, *How Parliament Works*, by Paul Silk, Second Edition, printed 1989. It reads on page 23:

"In MP's eyes the most important job the Speaker has is to balance the rights of the minorities in the House or of those who hold unpopular views against the majority and to hold the balance between Government and Backbenchers in general."

So the role of a Speaker in the House is indeed very important.

The Member of Government who spoke said that he felt this matter should have been given more public input. I believe that there has been considerable public input and opinion expressed in this country regarding the need for a Speaker. After all the country has the opportunity now of having the debates in the House broadcast and they are able to listen and to form opinions to be better educated on the workings of Parliament and many, many opinions, have been expressed to me that there should be a change in the House in that there should be a Speaker appointed.

I cannot agree either with the Member of Government who spoke that this is piecemeal in the Constitution because this is already in the Constitution. It is simply a matter of invoking it. It has been there for 18 years and it has nothing to do with the Constitutional Review which is impending or which has been requested. Certainly, I think that any Member of Government should be able to take a positive position about something that is existing there instead of taking the position that, for example, they would wish to see an advancement to Ministerial Government, which is still hanging in the air as to when and how and all the rest of it - and what will be as averse to being able to say, "Yes, I am now convinced that the position of a Speaker would be desirable and advisable."

In our position in the Cayman Islands the Governor is called upon to serve in many capacities and one of them is to preside as President in the Legislative Assembly. Intermingled with that is the fact that the Governor is also called upon to be Chief Executive and to decide policies which eventually come to the House in the form of bills or motions. I contend that it is not an ideal situation because it calls upon one individual to act and to act dispassionately and impartially in each particular capacity. I believe it goes beyond that which is truly practical and reasonable. From that point of view, as far as the organisational structure of the Government of the Cayman Islands goes, the appointment of a Speaker would break the number of roles which the Governor is called upon to play. A Speaker of course, as with the House of Commons, is the link between the House and the Monarch. The Governor being the representative of the Monarch, the Speaker being the link between the House and himself.

Impartiality and objectivity are vital qualities which should be present in Parliament and the role of a Speaker under the British system is the means or the mechanism by which it is felt this is best achieved.

As for who will be appointed, if this Motion passes, is left to be seen. However, I do believe that the person appointed should be a Caymanian and it should be someone who is familiar with the operation of Parliament, who has a very keen insight into how Parliament works and ideally would have had experience with it. It is very crucial I think from the point of view of acceptability by Members and by the public.

Lord Oxford and Asquith in his report mentioned the fact in dealing with the question of Speaker that perhaps it was best that the Administrator should be the one to preside because of having the knowledge necessary for the guidance of Members. He noted that until there was a strong government front bench who would be more familiar with government practices and processes that this would be a desirable position.

Well, I think 18 years have passed now and there have been persons, elected persons who now sit in this Legislature, who are familiar with the workings of Government, who understand the procedures in this House and that it is not absolutely essential that the Administrator who now is represented in the Governor, actually preside. I think the House is now capable and has matured to the point where this does not have to continue as it has been to date.

The Constitution provides that a Speaker should be appointed but as far as I have perused it, there is nothing which says anything about the termination of a Speaker. Here I would like to suggest, that as in keeping in other Commonwealth countries, a Speaker is normally appointed at the beginning of the term of a Government and that position would cease when that term is over. As we are

approximately two years into our four year term or whenever this term should cease, that the appointment of a Speaker should be conditional upon from whatever time he is appointed, (him or her), to the time that a new Government would come into place after an election.

If the incoming Government chose to once again have the particular Speaker, well so be it, but it appears to me that there should be some length or some term of Office of the Speaker. Perhaps determination could be conditional on a request by a majority that selected that Speaker by making representation to the Governor that that person be terminated if that was the wish of the House or the majority.

In the forthcoming Constitutional Review, I think it is wise that the Commissioner or Members of this House look at the idea of creating the position of a Deputy Speaker as well in the event that the Speaker, for whatever reason, is not able to perform his or her duties. I see that as being something to be considered in the Constitutional Review. Certainly we do not need a Constitutional Review to be able now to make recommendations to appoint a Speaker.

Past Governors have suggested appointment of a Speaker and up until now this has not been done for various reasons I suppose. I agree with my friend the Second Elected Member for Bodden Town that the time has come when this is desirable, advisable and necessary. If we are to progress to where we, as Caymanians, are to assume more responsibility for the running of our country, that must also take place in the Hall where we sit to make Laws for the country and there can never be the experience for anyone to have nor can we know how well or how badly it will work if the first step is not taken in the appointment of someone as Speaker of the House.

A Speaker, if he or she is appointed, has a most vital role to play. With the Cayman Islands being a small community that person has to play a role socially within the Parliament and otherwise that he or she is an outstanding person in this society. I would just like to refer because I think the book I quoted from awhile ago, sets it down very succinctly, the book, "How Parliament Works", when it says:

The Speaker's job is a lonely one. By tradition he does not mingle with the other MPs in the dining rooms or bars. He normally wears Court dress and when outside his residence is preceded by a train bearer. When he walks down the corridors of the House dressed in wig and gown on his way to or from the Chamber, anyone he passes (from the Prime Minister down) is obliged to stop and bow. In private he comes under pressure from Backbenchers and Frontbenchers, from all sides of the House. If he displayed any trace of partiality it would be pounced on and a motion critical of him would be tabled. Casual criticism of the Speaker is not allowed but he is not protected as the German Speaker is. For criticism as long as it takes the form of a substantive Motion, to avoid this the Speaker's aloofness is almost essential. There are material compensations, the salary of a Cabinet Minister. The use of the Speaker's House which contains some of the most splendid rooms of the whole palace and a peerage when he retires. But a Speaker's chief reward must be the satisfaction that he is doing the job for which he was elected, making sure that the institution runs well, effectively and fairly.

I think that summarizes very well what is expected of a Speaker and certainly anyone so appointed in this country has a very, very serious vital and important role to play.

I believe there are persons able to function and operate and play in that role, but these are considerations which certainly need to be taken into account.

Mr. President, this Motion before the Legislative Assembly of the Cayman Islands at this time is a milestone and today or tomorrow whenever the vote is taken and it is passed, it will mark the birth of Cayman assuming a greater responsibility in the management of its public affairs.

I believe in this Motion. I believe it is necessary that such an appointment should be made at this time. When it is time to take the vote, I shall give it my support.

**MR. PRESIDENT:**

Does any other Member wish to speak?  
The First Elected Member for Bodden Town.

**MR. ROY BODDEN:**

Thank you very much, Mr. President.

Time and events have dictated that we make this move, that is the move to appoint a Speaker of our Legislative Assembly. I cannot let the opportunity pass to remark that it is a pleasure to be able to listen to a debate on an issue like this which is done so persuasively and dispassionately. I can only hope that the media which is so quick to chide us and castigate us when we step out of line, will be equally quick to give us credit for such a high level of conduct and debate.

Mr. President, I suppose one could quite persuasively argue that in circumstances where one person is called upon to play three different roles, the question of efficacy and ethicalness could easily be called into question.

I believe that experience has at last convincingly shown us that it is time now to make the move to have a professional Speaker for our Parliament. Might I say that the move is not a reflection on any previous occupant of the Chair but rather it is a reflection of the maturity and the desire of the Caymanian people to grow and to move along with the times.

In the true traditions of Westminster Parliamentary democracy,

this move can only serve to enhance the smoother runnings of our Parliament and we have to take note that it does not entail any change in the Constitution. Indeed it was entrenched 18 years ago under the present system upon which we now operate.

I cannot agree with those persons who would describe it as a piecemeal move or a piecemeal change. It is intended to be one spoke in a wheel, which, for whatever reason our predecessors omitted to put in or perhaps did not at that time see the necessity to include in the wheel. Certainly posterity has dictated that someone had the foresight to include it at that time. If we are as smart as we think we are, or to express it more colloquially, if we still have the characteristics of the good old Caymanian, namely, the qualities with which we sometimes so light-heartedly speak about, that good old Caymanian common sense, we will invoke this measure now. Even before the impending Constitutional Review and we will better prepare ourselves whenever that Review comes into place because it may afford us a trial run to see exactly how we are functioning at this new level and I will go as far as to suggest, it may give us some ideas of what else we may need to implement or what other moves or changes we may need to make as far as the impending Constitutional Review is concerned.

I am happy too, Mr. President, as you so accurately pointed out that it is a non partisan issue, that it is an issue free of politics because you see, it affects all of us in this House and I take note of all the qualities and the prerequisites of perhaps what I would personally describe as an ideal Speaker which I heard elicited.

I must say, rather tongue in cheek, that the description and the privileges which accrue, as I heard read by my colleague, the Second Elected Member for Cayman Brac, should make the position attractive to many people. I would hope that our financial position in this country would allow us to give our Speaker most if not all of those perks. However, I do not believe that we are in a position to bestow a peerage on the person at the end of his or her retirement but certainly as far as providing the fiscal perks and a nice house is concerned, I hope that we one day will be in a position to make those offers.

The role of the Speaker is very difficult and in our present circumstances I have sometimes to sympathise with the Chair because Parliamentarians are known to become irreverent and indeed cantankerous on occasions. It is not far fetched to say that often one's patience can be tried to the limit.

I believe that it will free our system and the present occupant from some of the controversies which, as Parliamentarians, we sometimes subject him to. I would argue that in a system of growing sophistication such as the Cayman Islands, it would better serve our Head of State by giving him more time and sparing him from perhaps listening to some of the boring debates put forward by Roy Bodden and allowing him to spend more time on the affairs of state which are of equal importance.

Mr. President, in conclusion, I can only say that it gives me great pride in being able to support this Motion. I feel that it is coming at the right time and from the bottom of my heart I would like to record that I am pleased. As badly as the influenza is making me feel now, I would like to say that it gives me some solace to see that we have dealt with this in such a gentlemanly, scholarly and professional manner as to have kept it in the arena that it deserves to have been kept in. I can only hope that posterity will bear us out, because I firmly believe that we are making the correct move.

Thank you.

**MR. PRESIDENT:**

The First Elected Member for West Bay will be beginning to feel like the bridesmaid and never the bride if I keep on saying he should come to reply and then he gets pipped at the post.

Would the mover wish to reply?

Does any other Member wish to speak? It does appear not.

**MR. W. McKEEVA BUSH:**

resolution at long last is going to pass.

Mr. President, this is an important day because I believe this There are those who did not support it before and I respect their views but they have the good sense to see that we have reached that time in our development to support it now. There are colleagues on my side of the House who did not support the Motion the last time, it was moved.

When you get conservatives like the Third Elected Member for George Town willing to change his view, there must be good reason for that to happen. I want to thank them because I think they are doing this country a favour in the final analysis.

To those Members whom you were able to release from collective responsibility but could not release from political collectiveness, I can only say that I hope that they will change their mind and vote with us as they had voted with us before. I am referring to the Member for Health and the Member for Communications and Works.

Mr. President, I remember distinctly the Member for Health speaking in the last debate and I quote that he said:

"I do not subscribe to the old adage of, 'if it works, do not fix it'. I much prefer, if it is working, make sure you have looked deep enough to find that which is about to break and fix it before it breaks. We always say 'an ounce of prevention is better than a pound of cure'."

I agree with him and I hope that he will not change his mind and that he will vote with us. He further said:



"I believe the time has come when we need a full-time Speaker for Parliament. It appears in individual conversations the Speaker is a good thing but there is one thing that bothers me and we are becoming very partisan. It looks very much like the vote on the Speaker Motion is going to go on party lines and some people are going to smite their conscience a little bit and vote the party line.

Most important I urge Members to support the Caymanianisation in total of the Legislative Assembly and let us put a Caymanian as Speaker of the House."

Mr. President, I trust that they will vote with us.

Mr. President, the First Elected Member of Council, the Member for Tourism said he saw certain benefits in moving the Governor. He agreed with the benefits that I had pointed out. He went on to say that there are disadvantages. He did not give one disadvantage. He said, "that as much input from the public as possible must be sought."

Mr. President, I believe that the public wants this change. I believe, in particular after the last meeting of this Legislature, that this country desires to see Her Majesty's representative removed from this House as Presiding Officer. If Members loved this country the way they say they love it, they would set aside all that smacks of partisan feelings and vote and set aside all their prejudices and vote and let us put this through and give this a trial unanimously.

There is no guarantee that Executive Council will listen to anybody, if that person is not of their view. This was evident with the changes in Finance Committee. Thousands of people said no by a petition but Executive Council said yes. They said we are not a delegate, we are your representatives. We are going to make this change.

No public feeling to any great extent had been set out on that issue of such great magnitude. The most that could have been said on that issue was about 150 people at the one meeting in George Town. While thousands said no. How are they going to find out if a majority of people want a Speaker?

They must shed their cloak of political responsibility and put on their cloak of accountability. This is no piecemeal operation, this section 32 was designed so that we could do what we are trying to do today if the need arose. Who is to say that we are going to get a Constitutional change? Have they heard from the Foreign Office that we are going to get an adviser? I have not heard so. They say they want one.

I believe we are doing the right thing. It can never be so in a country such as these islands have developed to be, that the Head of State should sit in the Legislature as Presiding Officer.

There is no basis for their argument other than, 'the Backbenchers should not really move this Motion. It should be us, we are the status quo'.

The time has come. I thank those Members who spoke. The Second Member for Cayman Brac spoke of the perks that goes with the Office of Speaker and he spoke of the Speaker's train. I read just today in a book from Sir Selwyn Lloyd that an American visitor to the House of Commons witnessed the Speaker's procession and the American looked entranced at the spectacle of the procession and in particular at the Head Doorkeeper and the Serjeant leading it with stately trait and majestic bearing.

His host invited his comments, "Why great, just great! Your Speaker is sure a swell guy, but say, who is that ugly clown in the wig, following behind?"

I trust that Mr. Speaker or Madam Speaker will be properly distinguished.

In closing, I would only repeat what I said in introducing the resolution. This Motion will carry and it is imperative that the results be carried out expeditiously. You have said that all of us can make our recommendations. The Governor in his discretion does have the last say. You have guaranteed that you will listen to what the majority has said. All that matters to me is that a fit and proper person is appointed and that it be done expeditiously. I hope that in the November meeting, God willing, I would be able to face the Chair and say, Mr. Speaker, or Madam Speaker, I welcome you to this Honourable House.

Thank you, Mr. President.

#### QUESTION PUT: AYES & NOES

MR. PRESIDENT:

I think the Ayes have it. Would the Clerk please take a division?

#### DIVISION NO.36/90

**AYES: 7**  
First Elected Member for  
West Bay  
Third Elected Member for

**NOES: 5**  
Hon Elected Member for TAT  
Hon Elected Member for EERC  
Hon Elected Member for HSS

West Bay  
 Third Elected Member for  
 George Town  
 Second Elected Member for  
 Cayman Brac & Little  
 Cayman  
 First Elected Member for  
 Bodden Town  
 Second Elected Member for  
 Bodden Town  
 Elected Member for East  
 End

Hon Elected Member for CW&A  
 First Elected Member for  
 Cayman Brac & Little Cayman

**ABSTENTIONS: 3**

Hon First Official Member  
 Hon Second Official Member  
 Hon Third Official Member

**AGREED BY MAJORITY: PRIVATE MEMBER'S MOTION NO. 20/90 PASSED.**

**MR. PRESIDENT:**

Before we adjourn for the day, I would repeat how important as Governor (I make that distinction carefully), how important I think it is that Members should be assured that in coming to a choice of a Speaker, I shall consider their wishes of the first importance, and whether these are presented individually or jointly or in groups is of no matter. The important thing is to find the candidate who is suitable for the task and willing to accept it and acceptable, I hope, to a majority of the Members. I shall be writing to Members about the way in which we might seek and receive their opinions and advice shortly.

**ADJOURNMENT**

**HON. THOMAS C. JEFFERSON:**  
 o'clock tomorrow morning.

Mr. President, I move the adjournment of this House until 10:00

**QUESTION PUT: AGREED.**

**AT 4:33 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M.,  
 THURSDAY, 6TH SEPTEMBER, 1990.**

**THURSDAY  
6TH SEPTEMBER, 1990**

10:22 A.M.

**MR. PRESIDENT:**

Communications and Works.

Prayers.

The Honourable Elected Member responsible for Agriculture,

**PRAYERS**

**HON. LINFORD A. PIERSON:**

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 we may be enabled faithfully to perform the responsible duties of our 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 the light of His countenance upon us and give us peace now and always. Amen.

**MR. PRESIDENT:**

business of the House.

Proceedings are resumed.

I would apologise for being slightly late but it was on the

Papers.

The Honourable First Official Member.

**PRESENTATION OF PAPERS AND OF REPORTS**

**REPORT OF THE STANDING BUSINESS COMMITTEE**

**HON. THOMAS C. JEFFERSON:**  
of the Standing Business Committee.

Mr. President, I beg to lay on the table of this House the Report

**MR. PRESIDENT:**

So ordered.

**HON. THOMAS C. JEFFERSON:**

Mr. President, the Committee met once on Friday, 31st of August, to consider the business presented on Business Papers Nos. 1 and 2. In the end we had four Business Papers which dealt with all of the business of this meeting and the Committee agrees that the Report just tabled should be the Report of the Standing Business Committee.

**MR. PRESIDENT:**

Thank you.

**QUESTIONS TO HONOURABLE MEMBERS**

**MR. PRESIDENT:**

Questions.

The First Elected Member for Bodden Town please, No. 138.

**MR. ROY BODDEN:**

Thank you, Mr. President.

**THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION ENVIRONMENT RECREATION AND CULTURE**

**NO. 138:** Can the Honourable Member say what examinations, if any, other than the GCSE, were considered to replace the GCE and CSE examinations?

**ANSWER:** Traditionally Government High Schools in the Cayman Islands have relied on the British examinations system for their school leaving examinations.

When the GCSE was introduced as a replacement for the GCE and CSE in June 1988 rather hurriedly, time did not allow for consideration of alternative examinations.

**SUPPLEMENTARIES:**

**MR. ROY BODDEN:** Thank you, Mr. President.  
Can the Member say if any consideration is being given to alternative examinations at this stage?

**HON. BENSON O. EBANKS:** Yes, Mr. President. That is part of the review that is going on at the moment.

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Mr. President, I would like to ask the Member why these were introduced "rather hurriedly", as the expression is used here?

**HON. BENSON O. EBANKS:** Mr. President, that is because they were introduced in the United Kingdom hurriedly. There was resistance from teachers in the United Kingdom and the Minister issued an edict that they would be set in 1988, and that was it. In Cayman we were, in fact, rather more prepared than were many places in the United Kingdom.

**MR. TRUMAN M. BODDEN:** The answer has been given as to the bringing into effect of these. What I would like to find out is how long did the Member know that these may be introduced prior to this hurried bringing in by the United Kingdom?

**HON. BENSON O. EBANKS:** Mr. President, I do not know exactly how long. It certainly was a year or two, probably two years.

**MR. TRUMAN M. BODDEN:** One last question on that point, Sir.  
If the Honourable Member did have approximately two years to think about this, did he not look at any other exams during those two years?

**HON. BENSON O. EBANKS:** No, Mr. President. There was no reason to. In other words no time table was set for the bringing in of the GCSE. There was just a general discussion that they would come in, in the United Kingdom, but no one knew exactly when.

As I said, there were differences of opinion as to whether they would ever come in. Teachers in the United Kingdom for example, refused to attend training sessions. It just happened that the Minister made a ruling that they would come in and they came in. So it was in a state of flux, but we continued to take the GCE and CSE, and the GCSE is the suitable replacement, just as suitable as those examinations were. The study that is now going on is to determine whether, in fact, we always had the best examination that was available.

**MR. ROY BODDEN:** Thank you, Mr. President.  
I wonder if the Member could say if there were any recorded objections to the GCSE examination by teachers in the Cayman Islands?

**HON. BENSON O. EBANKS:** Not to my knowledge, Mr. President.

**MR. PRESIDENT:** We go to question No. 139. The First Elected Member for Bodden Town.

**MR. ROY BODDEN:** Thank you, Mr. President.

**THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION ENVIRONMENT RECREATION AND CULTURE**

**NO. 139:** Can the Honourable Member say if the Education Department considers the GCSE examinations the most suitable available examinations for the broad cross-section of Caymanian students?

**ANSWER:** Not necessarily. This is why the matter is being addressed in the current review of the Government Education Sector, identified in the Terms of Reference under Curriculum Item No. 16.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. ROY BODDEN:** Thank you, Mr. President.  
I wonder if the Honourable Member is in a position to say when an alternate or more suitable examination system will be brought up to schedule or into effect?

**HON. BENSON O. EBANKS:** No, Mr. President. The review is expected to be at hand at the end of September and decisions will be made based on that report.

**MR. ROY BODDEN:** Thank you, Mr. President.  
Does the Member consider the GCSE examinations to be a disadvantage to any sector of students sitting the exam?

**HON. BENSON O. EBANKS:** Not specifically, Mr. President. As I pointed out there are all grades of students in the school and every possible exam that is available is being given consideration in the review and the decision will be made at that time based on their findings.

**MR. ROY BODDEN:** Thank you, Sir.  
Would the Member agree or disagree that the disadvantage with the GCSE examination is that people who resit the examination do not have any details or specific knowledge as to what element of the examination they fell down in and this was different to the GCE and the CSE exams?

**HON. BENSON O. EBANKS:** The truth of the matter is, Mr. President, that the GCSE examination is designed basically so that nobody fails. Maybe they do not pass at A, B or C level, but all children are graded to some extent and certainly I do not believe that even in the GCE any detailed information as to where one fell down was available.

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** The Member referred to a report coming out in September. I am wonder whether he proposes to publish more details in that than he did in the Interim Report, so that the Legislature and the public can have a look at the reasoning behind whatever decision is made?

**HON. BENSON O. EBANKS:** I fail to see where that comes in as far as this question, Mr. President, but nevertheless, the Member should recall that I gave an undertaking that the Final Report would be made public.

**MR. PRESIDENT:** The First Elected Member for Bodden Town.

**MR. ROY BODDEN:** Thank you, Mr. President.  
Mr. President, I would like to ask the Honourable Member, am I to understand from his answer that every person who sits the GCSE examination, passes that examination?

**HON. BENSON O. EBANKS:** Every person is graded and as I understand the philosophy behind it, it is designed, yes, that nobody is really regarded as a failure. You may only pass at G level, but that is not a failure. That merely indicates the level of your attainment.

**MR. PRESIDENT:** Take the next question please. The Second Elected Member for Cayman Brac and Little Cayman. No. 140.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES**

**NO. 140:** Would the Honourable Member say whether it has become a requirement at the Faith Hospital for a person wishing to see a doctor to have an advance appointment and, if so, why?

**ANSWER:** Yes. Appointment clinics were established at Faith Hospital after a great deal of discussion. They were established because prior to the appointment system patients were all arriving at the hospital at the same time and having long and unnecessary waits.

All of the publicity given to the appointment system emphasised that emergencies will be seen at any time.

The appointment system in the morning is an extension of the evening appointment system already in existence. Both appointment systems have proved popular with the majority of the Cayman Brac people.

**SUPPLEMENTARIES:**

**MR. G. HAIG BODDEN:** Mr. President, I wonder if the Member can let us know how many appointments are normally scheduled for a morning?

**HON. D. EZZARD MILLER:** No, Sir, I do not have that information here.

**MR. PRESIDENT:** With the original question, start with the asker of the question, please.

**MR. GILBERT A. McLEAN:** Would the Member say if it was not possible to treat patients in the same manner as is done at the George Town Hospital, where many more people go to the clinic, by simply selecting a number and waiting until it is available?

**HON. D. EZZARD MILLER:** Mr. President, there is an appointment system at the George Town Hospital as well. We do have one doctor who is designated to walk-ins who do not have appointments, but the Member will realise that that is not possible in Cayman Brac because we do not have that many physicians.

**MR. PRESIDENT:** The First Elected Member for Bodden Town.

**MR. ROY BODDEN:** Thank you, Mr. President. The Honourable Member stated that the system that remains is popular among the people of the Brac. I wonder if he could tell this Honourable House on what basis he arrived at that decision?

**HON. D. EZZARD MILLER:** On the basis of discussions with the Medical Officer in charge of Cayman Brac, and the District Commissioner in Cayman Brac.

**MR. GILBERT A. McLEAN:** Mr. President, is the Member aware that there are problems or difficulties, or at least people are unhappy when they go to the Clinic and do not have appointments, but are there because they are genuinely ill and wish to see the doctor?

**HON. D. EZZARD MILLER:** Mr. President, the answer makes clear that anybody who comes in in an emergency situation is seen immediately. Anyone walking in who does not have an appointment can sit and wait until a period where either somebody does not show up for their appointment, or there is a blank space and they will be seen in turn as they arrive.

**MR. GILBERT A. McLEAN:** Mr. President, I wonder if the Honourable Member could say whether it is a fact that this appointment system was really more to accommodate the time of the doctors than it really was to create an ease of situation for people to be attended to at the hospital which is a view that I have heard expressed, contrary to the view that a majority of the people accept this position?

**HON. D. EZZARD MILLER:** Mr. President, I can assure the Member that no policy decisions in my Portfolio are taken on the basis of making doctors happy. All policies are set to benefit the patient and we believe that an appointment system where people can schedule their visits, in particular for elective visits, is a much better situation than having 10 or 15 people in a waiting room all arriving at 8:30 and having to be seen in turn.

**MR. GILBERT A. McLEAN:** One last question, Mr. President. Would the Member give an undertaking to check on the

situation to ensure there are not instances where persons are being re-buffed when they do arrive at this clinic without appointments on a particular day?

**HON. D. EZZARD MILLER:** To the best of my knowledge that is not happening and we are monitoring it. If the Member has specific complaints from specific patients, I will be quite happy to have them investigated, Sir.

**MR. PRESIDENT:** The First Elected Member for Cayman Brac and Little Cayman.

**CAPT. MABRY S. KIRKCONNELL:** Thank you, Mr. President.  
I wonder if the Honourable Member could confirm that there are at least two blank spaces in the appointments that will facilitate walk-ins?

**HON. D. EZZARD MILLER:** Yes, Mr. President, there is normally a period left in each hour to facilitate walk-ins.

**MR. PRESIDENT:** Question No. 141 please. The Second Elected Member for Cayman Brac and Little Cayman.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES**

**NO. 141:** Would the Honourable Member say if in the Cayman Islands a patient has a right to copies of his/her medical record upon request and must a doctor provide a patient with a written statement of his/her diagnosis if requested?

**ANSWER:** No, a patient in the Cayman Islands does not have an automatic right to copies of his/her medical record. This is as a result of a policy decision that the medical records belong to the Cayman Islands' Government, as a Government record held in the custody of the Hospital Administrator.

However, health policy dictates that a patient has the right to information on his diagnosis. A patient, should he require a written statement or report, must put his request in writing to the Chief Medical Officer under whose designation the report or statement is issued.

**SUPPLEMENTARIES:**

**MR. GILBERT A. McLEAN:** Mr. President, would the Member not say that the policy decision is faulty whereby a person's medical record is not theirs as an automatic right since it was only created because of the person and the particular illness treated by the hospital?

**HON. D. EZZARD MILLER:** Mr. President, this policy is in line with United Kingdom Law and United Kingdom policy, unlike the American system which the Member might be referring to where the patient's record is considered to be the property of the patient. That is not the position under English law and English policy.

**MR. PRESIDENT:** First Elected Member for Bodden Town.

**MR. ROY BODDEN:** Thank you, Mr. President.  
Would the Honourable Member give an undertaking to investigate or consider the possibility of changing this, so that the medical records could be more easily accessible to the patient?

**HON. D. EZZARD MILLER:** No, Mr. President. The records maintained by the hospital, for instance, are the records of treatments given to a person for the record of the hospital so it can be studied for all future records. Medical patients in Cayman have records all over the Island and each individual doctor maintains their own record of the treatment that they have given that patient, for whatever diagnosis. So the record is not generated as a record for the patient. In our situation it is generated for the institution or the professional rendering the service.

**MR. ROY BODDEN:** Thank you, Mr. President.  
I would like to know, in the event of a patient not paying his or her account in full, will that prevent him or her from receiving their medical records upon request?

**HON. D. EZZARD MILLER:** No, Sir. The two are not inter-related in any fashion. We do provide access under written request by the patient which also protects us in confidentiality purposes because if we just gave the patient the whole record, we no longer have control of confidentiality and we have to keep the record in-house. The Chief Medical Officer, under the policy direction, issues anything that is requested from a patient in

writing, in his hand.

**MR. GILBERT A. McLEAN:** Mr. President, even though the Member says that each doctor keeps his personal record of the treatment they may advise or administer to the patient, is it not kept on a single file on the particular patient?

**HON. D. EZZARD MILLER:** The hospital, for instance, has one record for each patient. Any private physician has his own record for that patient. I am not saying that each doctor in our facility keeps a separate record. In other words, Cayman Medical Centre has its own medical records on me, and the hospital has its own records on me.

**MR. ROY BODDEN:** Thank you, Mr. President.  
May I then ask the Honourable Member, what happens in those emergency cases and especially on week-ends, where patients are in need, at short notice, of their medical records?

**HON. D. EZZARD MILLER:** The only records that are available in the hospital are the records that are at the hospital. Unless the patient is conscious and can identify his or her private physician and requests the record, the record will not be consulted.

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Would the Member say who is being protected by the confidentiality? If this is the patient then why does the patient not have a right to waive it?

**HON. D. EZZARD MILLER:** The confidentiality protects the patient. The patient has a right to waive it by requesting it in writing and it is released under the hand of the Chief Medical Officer.

**MR. GILBERT A. McLEAN:** Would the Member say if requested, can a patient be denied a copy of his or her medical record?

**HON. D. EZZARD MILLER:** Not under the policy direction.

**MR. GILBERT A. McLEAN:** Mr. President, would the Member say, since in view of recent recommendations and so on in the management of the hospital which is more along the American line of medical services, if within that, direct accessibility, similar to that system, could not be implemented without necessarily breaking some law as obtains under the British system of dealing with the matter?

**HON. D. EZZARD MILLER:** Mr. President, I guess anything is possible if one is innovative enough. There seems to be some resistance from all medical practitioners for any consolidation of records. We have problems of even getting them to report the reportable diseases.

**MR. ROY BODDEN:** One last question from me, Mr. President. In the case that a patient may be unconscious or some other state where they may not be able to apply in writing for their medical records, how can those records be available to their attending physician if that attending physician is a private practitioner?

**HON. D. EZZARD MILLER:** In our situation that kind of emergency would arrive at the hospital. If the patient is admitted to the hospital, the hospital record is automatically pulled. If he requests his private physician to treat him, then the private physician would have access to both records. He would have access to his own records and the hospital record is drawn anytime anybody is admitted to the hospital.

**MR. PRESIDENT:** Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Mr. President, as I understood, the question asked about copies of records so I would just like to get this clarified. Then I need to ask a question based on that. If the hospital or the doctor still kept his original records and was only requested to release copies, would you look at categories, for example, what the person was given in treatment or medication as against certain other aspects of the record and give copies? That is, hold the original record and give copies that could be taken overseas or wherever to other doctors.

**HON. D. EZZARD MILLER:** That is what is done, Sir. The only requirement is that the person must apply for it to the Chief Medical Officer in writing. They cannot just walk up to any clerk in the Records Office and demand medical record number 001536 - 1952 and be handed it.

**MR. TRUMAN M. BODDEN:** Is the Member saying that when records are applied for, provided the doctor in charge approves it, one can get the copies? Well, that is somewhat different from the impression I originally got from the question.



**HON. D. EZZARD MILLER:** I think the question asked was whether it is a right for a patient to demand it with or without written request.

**MR. GILBERT A. McLEAN:** In the case of Cayman Brac, does a patient also have to apply to the Chief Medical Officer for a copy of his record or can he request it from the doctor in charge of the Faith Hospital?

**HON. D. EZZARD MILLER:** I would assume that the Senior Medical Officer in Cayman Brac could issue copies of the records upon written request.

**MR. PRESIDENT:** The next question please. The Second Elected Member for Cayman Brac and Little Cayman, number 142.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE THIRD OFFICIAL MEMBER RESPONSIBLE FOR INTERNAL AND EXTERNAL AFFAIRS**

**NO. 142:** Would the Honourable Member say what is the basic function of the Cayman Islands' Government Office in London?

**ANSWER:** The basic function of the Cayman Islands' Government Office in London is to provide representative services generally; to respond to various United Kingdom information enquiries; and to assist and facilitate recruitment of staff for the public service.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. GILBERT A. McLEAN:** Would the Member say if, in providing representative services generally, this takes into account any type of Consular services on behalf of persons or citizens in the Cayman Islands?

**HON. J. LEMUEL HURLSTON:** No, Sir, it does not, it only relates to advice and information. It provides no such executive services.

**MR. GILBERT A. McLEAN:** Is there anyway that this office could be extended to provide such service or is there a legal limitation because of our constitutional status?

**HON. J. LEMUEL HURLSTON:** The need has not been evident for the office to be considered for such purposes. Persons requiring such assistance have access to British Consular Offices all over the world, including those in London and therefore the need has not arisen to designate the London Office for any such services.

**MR. TRUMAN M. BODDEN:** To the Member, Sir. Could the London office not assist Caymanians who had needs with those other offices? I know it is not a Consular Office, because we are a colony, but could they assist if somebody is there and they need a bit of advice on work permits or student visas, this sort of thing?

**HON. J. LEMUEL HURLSTON:** Mr. President, the office does perform that role of assisting and advising and directing. It does provide that service.

**SUSPENSION OF STANDING ORDER 23(7) AND (8)**

**HON. THOMAS C. JEFFERSON:** Mr. President, maybe I should, under Standing Order 83, move the suspension of Standing Order 23(7) and (8) to allow supplementaries and the other questions to be taken.

**QUESTION PUT: AGREED.** **STANDING ORDER 23(7)&(8) SUSPENDED TO ENABLE QUESTIONS TO BE COMPLETED.**

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** The Second Elected Member for Boddon Town.

**MR. G. HAIG BODDEN:** Mr. President, I would like to ask the Member what is the extent

of help given in the recruitment of staff for the Public Service?

**HON. J. LEMUEL HURLSTON:** The extent is quite considerable. The London office assists in the placing of certain advertisements in United Kingdom publications. They assist in responding to enquiries, assist in issuing application forms to candidates, and in collecting those forms. They then return them to the departments in Grand Cayman, receive the short-lists, arrange interviews and accommodations and follow the process straight through to advising the successful candidates and the unsuccessful candidates. They issue contracts and see the individuals out of the United Kingdom into the Cayman Islands.

**MR. TRUMAN M. BODDEN:** To follow up on that. Does this save the Government very substantial sums of money?

**HON. J. LEMUEL HURLSTON:** Yes, Mr. President, so substantial that it in fact covers quite adequately the cost of operating the London office. The savings are more than adequate to cover the costs.

**MR. PRESIDENT:** Question number 135. The Second Elected Member for Cayman Brac and Little Cayman.

**QUESTION NO. 135 DEFERRED FROM YESTERDAY'S SITTING  
STANDING ORDER 23(3)**

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE SECOND OFFICIAL MEMBER RESPONSIBLE FOR LEGAL ADMINISTRATION**

**NO. 135:** Can the Honourable Member say how many lawyers are in the Cayman Islands, giving a breakdown by law firm and nationality?

**ANSWER:** There are seventy-five attorneys in the Cayman Islands. The breakdown by firm is:

<u>Law Firm</u>	<u>Total</u>	<u>Cayman</u>	<u>U.K.</u>	<u>Jamaica</u>	<u>Other</u>
Charles Adams & Co.	4	2	1	1	
Anton Bodden	1	1			
Ramon Alberga, QC	1	1			
Truman Bodden & Co.	7	4	2	1	
Bruce Campbell & Co.	8	4	4		
Keith Collins & Co.	2	1			1
C S Gill & Co.	3	1	2		
George Giglioli & Co.	1	1			
Norman Hill, QC	1			1	
Hunter & Hunter	8	3	2	1	2
Neville Levy & Assoc.	1	1			
Maples & Calder	13	5	8		
Myers & Alberga	4	2		2	
Orren Merren	1	1			
Steve McField & Assoc.	1	1			
Ian Paget Brown & Co.	1	1			
O L Panton & Co.	2	2			
Ritch & Conolly	5	3	2		
James Ryan	1	1			
W S Walker	10	4	6		
	75	39	27	6	3

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. GILBERT A. McLEAN:** Are there any expectations that in any of these firms the composition by non-Caymanians might change with the out-coming students from the Cayman Islands Law School?

**HON. RICHARD W. GROUND:** Yes, as I understand it, all the out-coming students from the Cayman Islands Law School, in all the years who have so far graduated, have gone into law firms and that has inevitably changed the composition and is equally inevitably reflected in the figures which I have given.

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

**MR. JOHN D. JEFFERSON, JR.:**  
present enrollment of the Law School?

Thank you, Mr. President.  
He mentioned the Law School. I wonder if the Member has the

**HON. RICHARD W. GROUND:**  
but I can let the Member have it in writing if he wants it.

No, if I had been asked I would have given it. I do not have it,

**MR. PRESIDENT:**  
outside.  
to Item 3 of the Order Paper.

I think even the asker of the question accepts that was slightly  
Anymore supplementaries? It appears not. We will move then

## **OTHER BUSINESS**

### **PRIVATE MEMBERS' MOTIONS**

#### **PRIVATE MEMBER'S MOTION NO. 18/90**

#### **RESTORATION OF ORIGINAL GEORGE TOWN/BODDEN TOWN BOUNDARY**

**MR. PRESIDENT:** The Second Elected Member for Bodden town.

**MR. G. HAIG BODDEN:** Mr. President, I beg to move a Motion entitled Restoration of Original George Town/Bodden Town Boundary.

**WHEREAS** the Spotts/Newlands subdivision, with adjacent areas, is considered an integral part of Savannah and hence of the Bodden Town constituency;

**AND WHEREAS** this subdivision was formally part of Bodden Town;

**AND WHEREAS** certain residents of these areas have petitioned the Bodden Town Legislative Assembly Members requesting that the boundary be restored to its original position;

**NOW, THEREFORE, BE IT RESOLVED THAT** Government examine these matters and consider rectifying them.

**MR. ROY BODDEN:** Mr. President, I beg to second the Motion.

**MR. PRESIDENT:** Private Member's Motion No. 18/90 has been duly moved and seconded. Would the mover now wish to speak to it?

**MR. G. HAIG BODDEN:** Mr. President, for a very long time the area known as Spotts/Newlands or Caswell had been considered a part of Savannah. However, in the revision of the Election Law the grid marks were set out for all boundaries throughout the Islands. The result of this exercise seems to have resulted in a different demarcation between Bodden Town and George Town. Formally the district of Bodden Town extended to where Mrs. Edna Jackson lives. This is right at the top of the straight piece of road known as the Spotts Road. The people most affected by this change are the people who live in what is called the Spotts/Newlands subdivision.

They have given the Bodden Town representatives a petition and I may mention a few other people who did not sign the petition had also spoken to me about it. They have found that now they are attached to George Town, they meet with certain inconveniences not hithertofore experienced. The proximity of this subdivision to Savannah makes it quite easy for these people to relate more to Savannah than George Town for example with the matter of worshipping in the churches and sending the children to school. It would seem to me that if ever there was a necessity to bring these people together for any purpose such as inoculations for an epidemic, these people would be channelled to probably the Savannah schoolhouse.

The other matter raised by the people who live in this area is they feel that they would be happier if a change could be made which would make them a part of the Bodden Town district. I believe one of the reasons is that once you pass this subdivision there is very little population until you get into Prospect and Red Bay.

It is true that most of these people seem to attend and associate with the Savannah people more than the George Town. If Government considers the Motion, it may be necessary

for the Department of Lands and Survey to meet with representatives of the people and work out new grid lines or grid marks to change the position of the boundary. We present this Motion on behalf of the people in this area and ask that the Government consider it.

**MR. PRESIDENT:** The Honourable Third Official Member.

**HON. J. LEMUEL HURLSTON:** Mr. President, I rise to make a very brief contribution to the debate on Private Member's Motion No. 18/90, which calls on the Government to consider a possible anomaly with a view to amending the boundaries between the George Town and the Bodden Town Electoral Constituency.

As the Mover of the Motion has said, the establishment of this boundary is prescribed in the Elections Law which was formally amended with the current version of the Law being a 1983 statute.

The legislation prior to this contained a schedule which designated the districts in a rather more general and non-specific manner and the 1983 statute for the first time included in the first schedule a grid reference designating boundaries between districts.

The Motion gives rise to the question generally therefore of not only how boundaries are established and how to legislatively provide for this, but it raises the question of how, if ever, should such matters be reviewed and altered if found necessary. The current legislation does not address this fundamental question and it is conceivable therefore that the Government would have to take that question into account because it is possible that other amendments may become necessary from time to time in the future. That is a question that really needs to be carefully considered and a suitable remedy found.

This matter is significant because we have heard during this sitting of references made to changing population trends, demographic changes in communities and it is possible, too, that during the expected constitutional review, one may wish to consider the question of altering, in some fashion, the size of voting constituencies based on changing demographics or some alternative form of designation for electoral categorizations.

The Government therefore, Sir, is content to accept Private Member's Motion No. 18/90 on the basis that it is willing to undertake to review the matter and to consider, if necessary, a suitable mechanism for rectifying this and any other similar boundary in the Cayman Islands.

**MR. PRESIDENT:** Does any other Member wish to speak? Would the mover wish to reply?

**MR. G. HAIG BODDEN:** Mr. President, only to thank the Government for its acceptance of this Motion.

**MR. PRESIDENT:** That must be the briefest speech in reply the House has ever heard.

**QUESTION PUT: AGREED. PRIVATE MEMBER'S MOTION NO. 18/90 PASSED.**

**MR. PRESIDENT:** Proceedings are suspended for 15 minutes.

AT 11:19 A.M. THE HOUSE SUSPENDED

HOUSE RESUMED AT 11:46 A.M.

**PRIVATE MEMBER'S MOTION NO. 21/90  
NO DIVE ZONES - WEST BAY**

**MR. PRESIDENT:** Proceedings are resumed.  
The House will now take Private Member's Motion No. 21/90.  
The First Elected Member for West Bay.

**MR. W. MCKEEVA BUSH:** Mr. President, I beg to move Private Member's Motion No. 21/90 standing in my name which reads:

**WHEREAS** it is considered that without established 'No Dive Zones' in West Bay some fishermen in that area are experiencing great difficulty with certain divers;

**BE IT THEREFORE RESOLVED THAT** the Marine Conservation Board urgently examine the creation, in West Bay, of certain 'No Dive Zones', taking into account the views of all parties having an interest in these matters.

**MR. JOHN D. JEFFERSON, JR.:**

Mr. President, I beg to second the Motion.

**MR. PRESIDENT:**

seconded. Would the mover wish to speak to it?

Private Member's Motion No. 21/90 has been duly moved and

**MR. W. McKEEVA BUSH:**

Mr. President, we are taking these steps because of the many complaints we have had in connection with divers in the good fishing areas in West Bay. The most singular recurring problem is the removal damage or interference with the fish pots or fish traps of local fisherman. These fish pots cost these men money. There are still people who consider fishing as a necessary supplement to their livelihood. It is troublesome to say the least for them to leave home knowing full well that normally their fish-traps would contain fish, but on arrival at the place where the trap was left to find it damaged and empty or cut away and there is no trace of it.

There has to be some way of solving this injustice and I believe that the creation of 'No Dive Zones' will help. I would hope that we, meaning the representatives and anyone else, could have some discussion with the Marine Conservation Board members to identify suitable areas and make representation on behalf of our people - fisherman who are not really represented on the board as such.

I understand that one dive operator tried to contact me and he is willing to sit down and discuss the matter. This is what we want. I believe this Motion does suggest a good way to go about solving the problem and I look forward to sitting at some point and seeing the issue resolved satisfactorily for all concerned.

Mr. President, since the inception of the Marine Parks, we in West Bay who do some fishing have had one place to fish inside a depth of 60 feet. That area, I believe, is between Victoria House and the West Bay Cemetery on West Bay Road. I would suggest that area be looked at too with a view to perhaps changing the area. Since it has existed for these past few years it is the view of fisherman that it is perhaps barren. I have had no any indication from Government whether they will support the resolution, but I trust they will.

**MR. PRESIDENT:**

The Honourable Member for Education.

**HON. BENSON O. EBANKS:**

Thank you, Mr. President.

On behalf of Government, I have no problem in supporting and accepting this Motion. I am aware that there is dissatisfaction by some fisherman. The Member moving the Motion mentioned the disturbance of fish pots. I understand there is also a problem with the observance of the 200 yard distance from fishing boats by the dive boats and I agree that the way to solve this is to have the Marine Conservation Board sit down with the divers, fisherman and all of the interested parties and work out an amicable solution.

I believe that the discontent has increased recently and I am made to understand that that is probably due to the fact that many of the crews on the dive boats have recently been changed and they are not familiar with the code of conduct that had been agreed between the fisherman and the dive operators. So I believe that getting together can bring this thing back under control again.

Thank you, Sir.

**MR. PRESIDENT:**

The Third Elected Member for West Bay.

**MR. JOHN D. JEFFERSON, JR.:**

Mr. President, I rise to support the Motion before the House. I recognize that the Cayman Islands have become one of the premier dive destinations of the world. This has mainly come about by our scenic underwater environment. We definitely would not want to do anything to jeopardize this particular part of our industry.

I am also aware of some of the difficulties experienced by fishermen from West Bay with divers. I think an equitable compromise is necessary to avoid any further conflicts of this nature.

I got a call from the Chairman of the Conservation Board last night and he indicated their willingness to meet us, as representatives, and arrive at a suitable compromise.

We have been very successful in designating non-fishing zones. I feel it would be necessary, in the best interests of our local fisherman, to be able now to designate a few 'No Dive Zones' in order to avoid any future conflicts. I feel the waters around the Cayman Islands are big enough to accommodate both parties and that it is timely that we got together to see that both parties are happy in the situation.

Thank you, Mr. President.

**MR. PRESIDENT:**

Mover wish to reply?

It appears that no other Member wishes to speak. Would the

**MR. W. McKEEVA BUSH:**

Mr. President, briefly just to mention another problem which exists in West Bay; that is divers using the launching ramp area in Vicksville. They go there in their cars and leave the shore without any indication that they are in the water, such as a flag. This puts them in danger because that launching ramp is constantly used and the people there are complaining about it and large boats use the area constantly and they are complaining about divers who go off the shores without any indication that they are there. So we would have to look at that as well.

I thank Members for supporting the resolution.

**QUESTION PUT: AGREED.**

**PRIVATE MEMBER'S MOTION NO. 21/90 PASSED.**

**PRIVATE MEMBER'S MOTION NO. 22/90  
NAMING OF SPORTS CENTRE**

**MR. PRESIDENT:**

Private Member's Motion No. 22/90. The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:**

22/90 standing in my name which reads:

Mr. President, I beg to move Private Member's Motion No.

**WHEREAS** it has been suggested that the Government find a suitable memorial for the late Thomas Eddingston Bush, local sports pioneer and enthusiast;

**BE IT RESOLVED THAT** the Government declare the West Bay Sports Centre, located on Barkers Road in the Commons, "THE ED BUSH SPORTS CENTRE".

**AND BE IT FURTHER RESOLVED THAT** preparations for such a declaration be started so that such be made at an Official opening of the Centre.

**MR. PRESIDENT:**

Secunder?

**MR. JOHN D. JEFFERSON, JR.:**

Mr. President, I beg to second the Motion.

**MR. PRESIDENT:**

seconded. Would the mover wish to speak to it?

Private Member's Motion No. 22/90 has been duly moved and

**MR. W. McKEEVA BUSH:**

Mr. President, the Motion attempts to recognize the work, the dedication of an ordinary Caymanian to something he loved, was a part of, a pioneer of and caused many to benefit from sports. Thomas Eddingston Bush, Eddy or Ed Ed, was the all around sportsman.

I would indulge time of the House to give some background on the late Mr. Bush. Eddy or Ed Ed, as he was known to most of us, started his schooling at Miss Izzy's school and then later attended the West Bay all age government school. He would often recount his childhood experiences at Miss Izzy's. To know him was an experience. He would also tell of the great influence such teachers as Miss Buelah Smith had on his life.

He entered the field of communication in 1957 with his first full-time job working for the Government Postal Service as a mail carrier between West Bay and George Town. Several years later, as was traditional, he went to sea working his way up from messman to a steward, sailing on such ships as the Universe Leader.

In 1981, he returned to his first love - sports - first as a volunteer sports' reporter for Radio Cayman and later becoming a full-time employee of Radio Cayman where he remained until the time of his passing. He had a keen interest in community affairs, especially in sports and he played a significant role in the development of sports in these islands.

In the seventies, he was an active member of the Cayman Islands Referee Association. He was a life member of the Cayman Islands Football Association and served as general secretary of the Association from 1980 to 1982.

From 1983 to 1985, he was vice-president of the Cayman Islands Football Association and 1985 to 1987 saw Ed Bush as the president. He was also instrumental in getting the Association affiliated with the Caribbean Football Union.

Mr. President, he was an ardent worker in the district of West Bay when it came to sports, which included extensively assisting the John Cumber Primary School in its annual sports day. Among other football teams, his favourite soccer team was, of course, Scholars International.

However, he was not only sports orientated in an administrative capacity, he was also an avid sportsman, as I said before, in such areas as cricket, soccer, badminton and others. He was a member of one of the first district teams to ever play a visiting team from the war-ships. In those days being selected to play a visiting team was a great honour as the whole Island came out to watch those games and I can remember some of them. I should say games that when one went out to them, one never heard the foul language and the indiscipline that is sometimes seen today.

Though he has never been officially recognized he is held by many to be one of our country's unsung sports heroes. What made him so popular was his jovial disposition, either as the humorous radio personality, the cheerful sports fan or simply the friendly passerby. Even the little children knew the man who introduced himself as, 'Hi, I am Ed Bush.'. He never drove a car or vehicle but he certainly got

around. At most sporting or community events you were sure to find him, and not only on the Island, but throughout the region. He did it, he would travel at his own expense.

I think just after he died I raised a matter of the sports' commentator travelling from these Islands to such games as Carifta, that their expenses be paid. I think that was accepted. I do not know what is happening, but when he used to travel it was his own money. The dedication and the love of sports and the belief that people had to know what was going on in the region, especially when we had local athletes around, carried him.

Who can forget his snappy quips as a radio commentator? This is Ed Bush, you might not like it, but you cannot do anything about it. Or as a commentator on the annual sports day in the field, "get behind the line, get back behind the line, you are worse than the Sandinistas." He had his own style and was loved for it.

I have chosen the sports centre in West Bay because that is his home district and the idea that that area, the commons, be developed for sports came with his blessing too. Presently, the centre only consists of two fields, a regular playing field and a practice field. There are a few bleachers. However, the plans called for a building with changing rooms, a small conference room and snack bar. I hope this has not been changed as I know the plans for the type of bleachers did change.

I believe that that centre can be developed. I recommended a type of bleacher with press box and proper access for wheelchairs as I saw the development in the future of special Olympics and the centre be used for such games. Seating was envisioned at that time for 1100 to 1200 people, which could have been designed for the addition of a canopy. In other words, I foresaw the development of the centre as a mini-sports centre offering West Bay the same facilities as the centre behind the Middle School, although on a somewhat smaller scale, with proper supervision of course.

I still have a vision of what is capable there. I remember the move I made in Finance Committee to get money for that development. There were no plans, but it was needed and I remember the Honourable Financial Secretary giving full support and I believe the first money came from a vote of his. As time went on and relationships got better, Government agreed to put more money into it.

**MR. PRESIDENT:**  
Motion, but I am not stopping you yet..

I think you are going somewhat beyond the objective of the

**MR. W. McKEEVA BUSH:**

Mr. President, I want to give the House the scenario of the place that I am asking be named as a memorial. It is fitting, I believe, to give the background.

**MR. PRESIDENT:**

I think you would be entirely in order to say what you think eventually the centre would be like, but I am not sure that the details leading up to that are terribly relevant.

**MR. W. McKEEVA BUSH:**

Mr. President, Government has put money into it, and as I said, I do not know if plans have changed with the entirety of the centre as was changed with the bleachers, but I would hope not. Certainly if they have, we would be able to do some work as was envisioned in the future.

I believe the naming of this centre is a fitting memorial to Ed Bush because I do not believe that there is anybody who can question his dedication, his work at a time when, for the whole district, one might only have found one football and a few bats, or cricket clubs, and I am following today what I have a deep feeling about.

Perhaps some might say it is overly nationalistic. I do not think so. I believe there are many things that we can do to remember those people who have contributed to this countries' overall development and I ask the House to accept this resolution.

**MR. PRESIDENT:**

The Honourable Member for Education.

**HON. BENSON O. EBANKS:**

Thank you, Mr. President.

Mr. President, when the late Thomas Eddingston Bush passed on, it will be remembered that I read a tribute to him in this House and at that time it was said that it would be Government's intention to remember him in a tangible way.

Following on that, the Portfolio has been working on that commitment and the decision taken to name the football pitch in the West Bay Sports' Centre after the late Ed Bush. The reason for this is not to detract in any way from all of the virtue and accomplishments of what has been said by the mover, but it follows more in line with what seems to be the custom in other countries with facilities of this nature and in honouring sportsmen and the like.

For example, in Jamaica at the Kingston Sports Club or Savannah Park you will find the George Hedley Stand and the Allen Ray Stand or some of the other greats but the whole complex was not dedicated to anyone person. Similarly, in Barbados you find at Kensington Oval the Sir Gary Somers Stand, the Sir Frank Warrell Stand and so on. This enables the community and the country to honour more than one person making a contribution to sport. We will not be able, in my opinion, to name full sport complexes after each person who has, or will, or is in fact contributing to sports.

Therefore the Portfolio has taken the decision that the football field in the complex is to be named the Ed Bush field in accordance with undertaking given at the time, as I said, of his passing.

For that reason, Mr. President, while Government is entirely in agreement with honouring the late Mr. Thomas Eddingston Bush in the way in which I have suggested, I would

hope, that the mover would find it possible to either amend his Motion in that fashion or accept Government's assurance that the football field will in fact be given his name in his memory.  
Thank you, Sir.

**MR. PRESIDENT:**

The Third Elected Member for West Bay.

**MR. JOHN D. JEFFERSON, JR.:**

Mr. President, I rise to support Private Member's Motion No. 22/90 moved by the First Elected Member for West Bay.

I feel that Mr. Ed Bush's contribution to sports in the Cayman Islands and in particular sports in the district of West Bay, namely in the area of soccer and cricket, warrants the consideration which is now being suggested - that the new sporting complex in West Bay be named after him.

I cannot think of anyone more worthy of consideration of such an honour than Mr. Ed Bush. I recall from an early age the influence Ed Bush had on my life and the other young boys in the area of sports. I recall many afternoons on the old West Bay field he would be there coaching, practicing, and just being around to see what was going on. He made many sacrifices by way of time and money and I think it is only fitting that such dedication and commitment be recognized in the fashion that is being suggested.

Sports was Ed Bush's life. I recall having had the pleasure of playing with Ed on a number of teams, we did not win many battles or many games but we had fun in the process and it was a real pleasure because of the personality.

I appreciate Government's gesture of maybe naming the football field after him, but I think this is a precedent. We have never, as I recall, named fields after anyone in these Islands so, if we have not done it before, I do not think it is going to now be a policy that we are going to have a 100 people to consider naming a field or a complex after.

I personally cannot see any objections in what we are suggesting in naming the new sporting complex after Mr. Ed Bush, especially with the people of the district of West Bay.

What I appreciated about my visit to London, which was my first time, was the way they recognized some of their national heroes. One of the problems I see we have in the Cayman Islands is that we do not want to recognize the contribution of our people. I think it is fitting for us to make a start in this area because in the area of sports, I feel, without question and without fear of contradiction that Mr. Ed Bush falls in the category of one of our national heroes. We should accept the Motion that is being put forward in recognizing his contribution to sports by naming the new sporting complex in West Bay in his honour.

Thank you, Mr. President.

**MR. PRESIDENT:**  
to reply?

Does any other Member wish to speak? Would the mover wish

**MR. W. McKEEVA BUSH:**

Mr. President, I feel that what I am attempting to do here today deserves to be accepted from Government without any qualifications put to it. This is what is so discouraging. Why is it that when you bring something, the Government bench have to meddle with it and cannot accept it for what it is?

With the reference to Jamaica and Barbados and other areas, these are large complex areas costing millions of dollars where they probably have three and four buildings in one complex. What we have here is a small area with just two football fields. I doubt if they are even full size. Even with my hopes of what should be put in the property at present, it is not something that is going to get 10 or 15 buildings on it or another two football pitches.

I wonder when that decision was made? I vividly remember how hard I had to fight in Finance Committee to get the money and the Member for Sports did not support it. Even after I was smart enough to work with plans through the Public Works Department, as it is doing now, every attempt was made to change them to what he feels is the best thing.

This is not only my suggestion, this suggestion comes from a wide cross-section of people, people who are themselves involved in sports.

I am not going to amend this. This is a matter of principle and I do not see why I should. One thing I can tell him is that he will not sit in that seat forever, so they may have their time. They know that the Member for Cayman Brac will vote with them. I feel that this is a proper thing to do. This is not a centre as I said that you can compare with the Barbados Stadium or the Jamaica National Stadium.

I say this on the floor of the House, that the time will come when that Centre will be named the Ed Bush Sports Centre because it is most fitting; not because I have proposed it, but because a wide section of West Bayers believes it should be done and because his contribution to sports says that the Government, if it is going to do something, should make it worthwhile. The Centre is not that large.

As I said, even the bleachers would have been a decent thing, but right now their are only these little old piddley bleachers which can be taken apart, which has happened before in West Bay at the old Primary School Football field. You see them out there dilapidated, simply because they were able to move them up and down and take them where they wanted to.

**MR. PRESIDENT:**

You are getting well away from the subject.

**MR. W. McKEEVA BUSH:**

I am referring and replying...



- MR. PRESIDENT:** I am sorry, I am saying...
- MR. W. McKEEVA BUSH:** Mr. President, please give me a chance.
- MR. PRESIDENT:** I am saying that you are now getting well away from the subject.
- MR. W. McKEEVA BUSH:** I am replying to the Member, though.
- MR. PRESIDENT:** If you are arguing with my ruling, I will rule formally. I do not wish to do that, we have done very well the last four days until the last few minutes.
- MR. W. McKEEVA BUSH:** That is true and I am only referring to something that should not have been raised.
- MR. PRESIDENT:** Please do not continue or I shall ask you to discontinue and sit down under Standing Orders.
- MR. W. McKEEVA BUSH:** I have finished, Mr. President.
- MR. PRESIDENT:** The question will now be put in that case on Private Member's Motion No. 22/90.

**QUESTION PUT: AYES AND NOES**

- MR. PRESIDENT:** Would you take a division, please, Clerk?

**DIVISION  
NO.37/90****AYES: 6**

First Elected Member for  
West Bay  
Third Elected Member for  
West Bay  
Third Elected Member for  
George Town  
Second Elected Member for  
Cayman Brac & Little  
Cayman  
First Elected Member for  
Bodden Town  
Elected Member for East  
End

**NOES: 7**

Hon First Official Member  
Hon Second Official Member  
Hon Third Official Member  
Hon Elected Member for TAT  
Hon Elected Member for EERC  
Hon Elected Member for HSS  
Hon Elected Member for CW&A

**ABSTENTIONS**

First Elected Member for Cayman Brac  
and Little Cayman

**NEGATIVED BY MAJORITY: PRIVATE MEMBER'S MOTION NO. 22/90 DEFEATED.**

- MR. PRESIDENT:** I propose that we should move ahead with Government business because the Bill proposes an entirely non-contentious Bill which was agreed following...
- MR. W. McKEEVA BUSH:** Mr. President, the Motion had a tie.
- MR. PRESIDENT:** I heard 7 to 6. Was that not the case?
- MR. W. McKEEVA BUSH:** Sorry, yes.
- MR. PRESIDENT:** All right. But you are quite right to be certain. So I propose that we should go ahead because this is a non-contentious Bill which all Members agreed, I think, following the Motion.

**GOVERNMENT BUSINESS  
BILLS**

**SUSPENSION OF STANDING ORDERS  
46(2) & (4) AND 47**

**MR. PRESIDENT:** The Honourable First Official Member.

**HON. THOMAS C. JEFFERSON:** Following on what you have said, I move the suspension under Standing Order 83, Standing Orders 46(2) (4) and Standing Order 47, to allow this Bill to be taken which really follows on the Private Members's Motion previously accepted by this Honourable House.

**QUESTION PUT: AGREED. STANDING ORDERS 46(2)&(4) AND 47 SUSPENDED.**

**FIRST READING**

**MR. PRESIDENT:** Bills, First Reading.

**CLERK:** The Miscellaneous Laws (Amendment) Bill, 1990

**MR. PRESIDENT:** A Bill entitled the Miscellaneous Laws (Amendment) Bill, 1990, is deemed to have been read a first time and is set down for second reading.  
Bills Second Reading.

**SECOND READING**

**THE MISCELLANEOUS LAWS (AMENDMENT) BILL, 1990**

**CLERK:** The Miscellaneous Laws (Amendment Bill), 1990.

**MR. PRESIDENT:** The Honourable Third Official Member.

**HON. J. LEMUEL HURLSTON:** Mr. President, I beg to move the Second reading of a Bill for a Law to amend the Interpretation Law and other Laws to provide for the proper reference to the correct names of the Islands of Cayman Brac and Little Cayman.

By virtue of the passage of a Private Member's Motion and a resolution on the 8th of March 1990, the Government undertook to take the necessary steps to insure that all legislation and official documents that previously referred to the Islands of Cayman Brac and Little Cayman as the Lesser Islands, should suitably be amended to enable those islands to be referred to by their correct and full names. This Bill seeks to accomplish that and, in order to do so, it firstly seeks to amend the Interpretation Law and secondly it seeks to make a number of consequential amendments.

First in respect of the Interpretation Law, Clause 2 seeks to amend the Interpretation Law by inserting a new sub-section (3) in section 2 which reads:

"(3) It is hereby declared that the Cayman Islands are comprised of Grand Cayman, Cayman Brac and Little Cayman; and any reference in any Law, enactment or other instrument of a public nature to the Islands or any of them shall be a reference to them or it by name, and by no other designation."

The remaining consequential amendments affect the Development and Planning Law (Revised), the Education Law 1983, the Elections Law 1983, the Firearms Law (Revised), the Water Authority Law 1982, and the Tax Collection Law (Revised). I do not propose to go through the details as to the ways in which these are affected because they are quite simply consequential amendments, deleting reference to the Islands as 'Lesser Islands' and substituting therefore the words 'Cayman Brac and Little Cayman'.

I commend this Bill to the House. I thank Members for waiving Standing Orders to enable it to be introduced at short notice and I invite the support and its passage accordingly.

**MR. PRESIDENT:** The question is that a Bill entitled the Miscellaneous Laws (Amendment) Bill, 1990, be given its Second Reading. The Motion is open for debate. Does any Member wish to speak? The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Mr. President, I am very pleased to see that this Bill has come before this House in response to a Private Member's Motion moved by myself which requested that the House

agree that the Islands of Cayman Brac and Little Cayman be referred to by their name, rather than by the term 'Lesser Islands'.

I believe this is something which the public at large in Cayman Brac and Little Cayman appreciate and desire and certainly it recognizes what is most important to people, things and countries that make them distinct, that they do have names. This is the case with the other two Islands which make up the Cayman Islands' group and I am indeed very happy today to see that these amendments are being put in place in the various laws.

I most certainly support this move and I trust in reference to the radio and the newspapers that they will take to calling the Islands by their correct names rather than Sister Islands and Lesser Islands and the like. I have heard of Treasure Island and Christmas Island but I have never heard of Sister Islands in my life except here. I do not know where that particular name or term was coined. So, Mr. President, having said that I certainly support this move to amend these Laws to bring this about.

As Standing Orders were suspended to allow this to be done, I would just like to mention, Mr. President, that I have tabled a Private Member's Motion entitled 'Select Committee to examine the present Cayman Islands Constitution', and if that could be...

**MR. PRESIDENT:** I think you should speak to this separately after we have dealt with this Bill.

**MR. GILBERT A. McLEAN:** Very well, thank you.  
Having said that on this particular Bill, Mr. President, I support this.

**MR. PRESIDENT:** Does any other Member wish to speak? Would the mover wish to reply?

**HON. J. LEMUEL HURLSTON:** Mr. President, I beg to waive my right of reply.

**QUESTION PUT: AGREED. THE MISCELLANEOUS LAWS (AMENDMENT) BILL, 1990, GIVEN A SECOND READING.**

**MR. PRESIDENT:** The House will now go into Committee.

**HOUSE IN COMMITTEE**  
12:47 P.M.

**COMMITTEE ON BILL**

**THE MISCELLANEOUS LAWS (AMENDMENT) BILL, 1990.**

**CLERK:** CLAUSE 1: Short Title.

**MR. W. McKEEVA BUSH:** Mr. Chairman, I am sorry, but I have not seen the Bill.

**MR. CHAIRMAN:** It has been circulated for several days. It is seven pages of white, typed script - number on the left, 175.

**MR. W. McKEEVA BUSH:** I have not seen it. Anyway, the Serjeant is getting me a copy.

**MR. CHAIRMAN:** The Clerk will call the clauses of the Bill.

**CLERK:** CLAUSE 1: Short Title.  
CLAUSE 2: Amendment of the Interpretation Law.  
CLAUSE 3: Amendment of Law 28 of 1971.  
CLAUSE 4: Amendment of Law 35 of 1983.  
CLAUSE 5: Amendment of Law 36 of 1983.  
CLAUSE 6: Amendment of Law 17 of 1964.  
CLAUSE 7: Amendment of Law 18 of 1982.  
CLAUSE 8: Amendment of Cap. 163

**QUESTION PUT: AGREED. CLAUSES 1 THROUGH 8 PASSED**

**CLERK:** A Bill for a Law to amend the Interpretation Law and Other Laws to Provide for the Proper Reference to the

Correct Names of the Islands of Cayman Brac and Little Cayman.

**QUESTION PUT: AGREED. THE TITLE PASSED**

**MR. CHAIRMAN:**  
resume.

That concludes the business of the committee. The House will

**HOUSE RESUMED 12:50 P.M.**

**MR. PRESIDENT:**

Proceedings of the House are resumed.  
Bills - Reports.

**REPORT THEREON**

**THE MISCELLANEOUS LAWS (AMENDMENT) BILL, 1990**

**HON. J. LEMUEL HURLSTON:**

Mr. President, I have to report that a Bill entitled The Miscellaneous Laws (Amendment) Bill, 1990, was considered by a Committee of the Whole House and passed without Amendment.

**MR. PRESIDENT:**

The Bill is accordingly set down for Third Reading.  
Bills Third Reading.

**THIRD READING**

**THE MISCELLANEOUS LAWS (AMENDMENT) BILL, 1990**

**CLERK:** The Miscellaneous Laws (Amendment) Bill, 1990.

**HON. J. LEMUEL HURLSTON:**

Mr. President, I beg to move that a Bill entitled The Miscellaneous Laws (Amendment) Bill, 1990, be given a Third Reading and passed.

**QUESTION PUT: AGREED.**

**THE MISCELLANEOUS LAWS (AMENDMENT) BILL, 1990, GIVEN A THIRD READING AND PASSED.**

**MR. PRESIDENT:**

We have come to the end of formal business but there is a indication from the Second Elected Member from Cayman Brac and Little Cayman that he has a point to raise.

**MOTION TO SUSPEND STANDING ORDER 24(5)  
TO ENABLE PROPOSED PRIVATE MEMBER'S MOTION  
RE SELECT COMMITTEE ON CONSTITUTION, TABLED IN CLERK'S OFFICE 5TH  
SEPTEMBER, 1990, TO BE TAKEN**

**MR. GILBERT A. MCLEAN:**

Yes, Mr. President, thank you.

The question that I would like to raise is the fact that I tabled a Private Member's Motion entitled 'Select Committee to examine the present Cayman Islands Constitution Order'. It was tabled yesterday and it would not have had the opportunity of being within the five days which is required. However, in that the Business Committee allowed the suspension of Standing Orders to allow the amendment to the legislation to pass, which we have just approved, I was wondering if this could be treated in a similar fashion? I do not know, in fact, if the President has accepted the Motion or not, but I think it is an extremely important one, and perhaps the President could give an indication as to what the position will be on the Motion.

**MR. PRESIDENT:**

A small point first. The Business Committee does not actually suspend Standing Orders. That is the decision of the House. That is a small point.

Indeed I did receive the text of the proposed Motion yesterday. I have studied it. There would have to be a few amendments. Essentially, it proposes a Select Committee to study the Constitution as the Member says. In order to take it, the House would have to suspend the Standing Orders as

was just done for that Bill. So that is the matter to be put before the House. It would require a motion to suspend Standing Orders.

**MR. GILBERT A. MCLEAN:** The amendments, Mr. President, that you spoke of - would they have to be made prior to me moving a suspension of the Standing Orders?

**MR. PRESIDENT:** No. Normal procedure is that a motion is put in, then the text is cleared. That would take place after, if Standing Orders are suspended. Do I make myself clear?

**MR. GILBERT A. MCLEAN:** Mr. President, I move that Standing Order 24(5) be suspended to allow the Motion to be taken.

**HON. W. NORMAN BODDEN:** Mr. President, if you would pardon the interruption at this stage, Sir, but my concern is that I have not seen any such Motion referred to on the Order Paper today. It would seem to me that before we are in a position to suspend Standing Orders to deal with such a Motion that we should be aware of the details of what that Motion is proposing to the House.

**MR. PRESIDENT:** I think we have a slight problem. If I may say so, I think the most expeditious way to deal with it is to decide on the question of whether the House wishes to suspend the Standing Orders in order to continue sitting and take the proposed Motion.

As I have said, the Motion essentially proposes a Select Committee of the House to be created of all the Elected Members to study the provisions of the Constitution, to take public input and the normal procedures of any such Select Committee, and then report back to the House. That is the proposal.

I am quite in the hands of the House. If you wish to suspend over the lunch hour to consider the matter, that would be all right.

**MR. W. MCKEEVA BUSH:** Mr. President, I think we should suspend for lunch. I think this is a very important resolution. This will not be the first time Standing Orders have been suspended. They well know what the Motion is, Mr. President, and I think that this motion deserves your attention.

**MR. PRESIDENT:** It already has had it. I have explained that.

**MR. W. MCKEEVA BUSH:** Not you, Sir, but the Government's.

**MR. PRESIDENT:** I am sorry, I thought you said 'your'. In that case, 'your' is the Speaker, the Government is the Government.

**MR. W. MCKEEVA BUSH:** They were grumbling. I was replying to them.

**MR. PRESIDENT:** I think the motion has been put to suspend. If Members are in doubt about the purpose of it, then we ought to suspend ourselves and consider it. I would want to be clear about that. What is the wish?

**HON. W. NORMAN BODDEN:** I think, Mr. President, that in view of what has been said we should proceed with what has been put before the House - the Motion to suspend.

**MR. PRESIDENT:** Is the House aware of the Motion? It is that Standing Orders be suspended in order to take a Motion to be put by the Second Elected Member for Cayman Brac and Little Cayman.

**MR. JOHN D. JEFFERSON, JR.:** I second the motion.

**MR. PRESIDENT:** And it is seconded. Would the mover wish to speak to it?

**MR. GILBERT A. MCLEAN:** Mr. President, I would just like to be clear as to what is being suggested. Is there before the House now a Motion to suspend Standing Orders to allow the Private Member's Motion, which I have tabled, to be put before the House?

**MR. PRESIDENT:** The Motion before the House is to suspend the Standing Orders for a purpose. If that Motion is passed, the House will continue to sit, otherwise our business is finished and we adjourn. So that if the Motion is successful, the House continues to sit and when the Chair has had time to finalise the text of the Motion, the Motion will be taken by the House. Is that clear?

**MR. GILBERT A. MCLEAN:** Yes, Mr. President, that is clear. Now I quite understand. A while ago the Member for Tourism was saying he did not know what the Motion was about and it was a suggestion by the Chair that perhaps we could suspend for lunch so that Members could be informed about that Motion.

**MR. PRESIDENT:** Sorry, that was a suggestion by the First Elected Member for West Bay and I asked the view of the House. There is an important difference.

**MR. GILBERT A. MCLEAN:** I was mistaken on that, Mr. President. I thought that the suggestion came from the Chair. However, I suspect that the information is important enough to Members that they would wish to suspend for lunch and have a look at the Motion which they are not informed about, particularly the Government, and I would be prepared to do that.

**MR. PRESIDENT:** I think we have to proceed with the Motion you have put, because you are now putting another Motion separately. I think we must take them in their proper order.

**MR. W. MCKEEVA BUSH:** Mr. President, I wonder if I could impress on the Chair that you suspend for lunch, since it is within your hands, and at that point they can have a chance to look at this Motion that they have not seen. That will ease the confusion, Sir, and it will be fair as well.

**MR. PRESIDENT:** It is perfectly true that the Chair can suspend proceedings at any time. We have in fact finished the agenda. We are now on an extended matter which it appears that Members wish to deal with. Would you wish to speak to your Motion? And, let me be absolutely clear, it is the Motion to suspend Standing Orders.

**MR. GILBERT A. MCLEAN:** Yes, Mr. President, since it seems that the Members of Government are really not mindful of seeing the Motion that would come before the House if the suspension of the Standing Orders is allowed.

I would like to suspend Standing Orders to introduce this Motion which is very important in my opinion. It is one that bears directly on various conditions at this time and I think that what it is asking for is something which is important to the country at large, to this Legislative Assembly and to all Members of this Assembly. So I would hope that the Members would see fit to suspend Standing Orders to allow this, as was done just a few minutes ago to allow a piece of legislation to be taken.

Thank you.

**MR. PRESIDENT:** Interesting point about Standing Order 83 is that it does not seem to provide for a debate, but I felt it proper that the mover of the Motion should state his reasons. I think I would like the Attorney General to just briefly reflect on that. It simply says Standing Orders may be suspended at any time for a specific purpose by the consent of a majority of Members present.

**HON. RICHARD W. GROUND:** It is not helpful. I think the practice has been to allow, obviously, the Member moving the suspension to state in short and brief terms, as the Member just has, of what it is for and to allow other Members to stand up and say yea or nay, and if they have got something short and brief to say, to say it, but to avoid a debate in the sense of a protracted discussion, particularly of anything that touches on the merits of the Motion.

**MR. PRESIDENT:** On that basis, I should welcome any brief statements Members wish to make.

The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Mr. President, when important Motions or Bills come before the House as we have just seen, there is usually, from this side of the House, cooperation to assist with matters that are important to the public and important to Members so that there can be public debate. The suspension of the Standing Orders, while it is something that we all accept should not be dealt with often or lightly, we do find normally in each Session that these are suspended and I believe that whenever the matter is important that Members should not be caught with the technicalities of the Standing Orders and deprived of airing an important matter which may not be able to be aired until November when the House next sits.

I have, by and large, consented or agreed to the waiver of Standing Orders just recently, and I would hope that Government would look at it in that light because it is something that works both ways. Just that before it was them, and now it is this side of the House.

I would ask them to think carefully and allow this motion to go before the House.

**MR. PRESIDENT:** The First Elected Member for Cayman Brac and Little Cayman.

**CAPT. MABRY S. KIRKCONNELL:** Thank you, Mr. President.  
Mr. President, I have a concern at this late stage of the meeting. We are being asked to suspend Standing Orders because the Motion was not tabled in sufficient time. If this was an issue that had just arisen I could understand the urgency of it, but the constitution was a major issue in the June Meeting. It was debated very extensively. Much was said during that Meeting and certainly I see no reason unless there is a specific reason why the late tabling of the Motion was chosen. I do not feel that this House should suspend Standing Orders if it is not for a specific purpose. I can understand if the urgency is such that time does not allow for it to have been tabled in adequate time. Those are my views and I cannot support the suspension of Standing Orders.

**MR. PRESIDENT:** The Honourable Member for Education.

**HON. BENSON O. EBANKS:**

Thank you, Mr. President.

As you rightly pointed out, we have reached the end of the agenda. This Motion that we are hearing about has not appeared on a Business Paper or on any Order Paper. In my opinion, to suspend Standing Orders to deal with a Motion that has not even reached that far would be creating a precedent that we have never seen in this House before. We have never considered a matter that has not reached, in my opinion, a Business Paper or the Order Paper. We have always had it on the Order Paper even if it was not there by the stipulated time.

This is breaking new ground and the reference to the Bill that was just dealt with seems to me to be very spurious. That was a Bill that arose out of a Motion passed unanimously by this House and of which notice was given and it was on the Order Paper, Sir. I do not see where the two have any resemblance.

**MR. PRESIDENT:**

The First Elected Member for West Bay.

**MR. W. MCKEEVA BUSH:**

I support the suspension of Standing Orders. This is not the first time Standing Orders have been suspended. By God, Mr. President, we have suspended Standing Orders over and over again for things not on the Order Paper and that is in the records of this House. For Members to say otherwise they must be living in a dream world. This Motion is important because it deals with a matter which passed, in a majority, but a slim majority, in this House. It was a matter as important as the Constitution and one that should have been sent to a Select Committee as we had argued.

I see nothing wrong with this. This is not a new precedent. The Hansards will show that and it can be done. I see no reason why it cannot be done, unless the Members over there are scared of something. But I support it.

**MR. PRESIDENT:**

The First Elected Member for Bodden Town.

**MR. ROY BODDEN:**

Thank you, Mr. President.

Mr. President, I rise to support the Motion for the suspension of Standing Orders to debate this very important issue. I cannot understand why anyone would have a fear of opening up this debate. It would strike me that the purpose can best be served if we air the issue thoroughly so that when we come to the meat of the situation, and when the Constitutional Commissioner, or Commissioners, arrive we, as Legislators, could be satisfied that we have covered every ground.

Failing that, I would hasten to suggest that it will always be a simmering and contentious issue where there is accusation and counter accusation. I think that we cannot take a myopic or shortsighted approach to this and certainly I cannot understand the fear or the paranoia existing among some people.

**MR. PRESIDENT:**  
withdraw it, paranoia'.

That is an unparliamentary expression in the context. Please

**MR. ROY BODDEN:**

Mr. President, I withdraw the phrase 'paranoia'.

I certainly cannot understand the fear of some people of having such an issue aired thoroughly, and I am suggesting that it can only serve us, as Legislators, and posterity, in the best interest to get it over with once and for all.

Thank you.

**MR. PRESIDENT:**  
would like to reply as succinctly as he moved.

Does any other Member wish to speak? Perhaps the mover

**MR. GILBERT A. MCLEAN:**

Mr. President, things are shaping up very clearly to me. There is not a doubt in my mind about what shape it has taken. What I want to say is that this talk about suspending Standing Orders and the fact that it is not on the Order Paper does not have any relevance as to the content of what is in the Motion. The Motion has been outlined by myself and by the Chair. I think that it is not a very good reason for the Government to take a position that it is not acceptable for those reasons. I believe it is very important and to deny its admission in this House, through a technicality under the Standing Orders, is really not in the best interest of parliamentary democracy. However, I do not have any more to say on this particular matter. I will let it go to the vote, or ask that a vote be taken, and certainly if it cannot be aired in here, it can be aired from a political platform.

**MR. PRESIDENT:**

I will put the question.

**QUESTION PUT: AYES AND NOES.**

**MR. PRESIDENT:**

Would you take a division please, Clerk?

**DIVISION  
NO. 38/90**

**AYES: 7**

Hon. First Official Member  
First Elected Member for  
West Bay  
Third Elected Member for  
West Bay  
Third Elected Member for  
George Town  
Second Elected Member for  
Cayman Brac & Little Cayman  
First Elected Member for  
Bodden Town  
Elected Member for East End

**NOES: 7**

Hon. Second Hon. Official Member  
Hon. Third Official Member  
Hon. Elected Member for TAT  
Hon. Elected Member for EERC  
Hon. Elected Member for HSS  
Hon. Elected Member for CW&A  
First Elected Member for Cayman  
Brac & Little Cayman

**ABSENT**

Second Elected Member for Bodden Town

**MR. PRESIDENT:**  
could not hear what you said. Thank you.

Did I hear seven ayes and seven noes? Clerk, I am sorry, I

**PRESIDENT'S CASTING VOTE**

**MR. PRESIDENT:**  
against the motion.

That is a tie and in accordance with precedence, I cast my vote

**NEGATIVED BY MAJORITY:**

**MOTION TO SUSPEND STANDING ORDER 24(5) DEFEATED**

**CAPT. MABRY S. KIRKCONNELL:**  
not present.

Mr. President, the Second Elected Member for Bodden Town is

**Mr. PRESIDENT:**

That then concludes the business of the House.

I know that Members will be anxious to be away, but would I say how much I appreciate the way in which the House has, I was going to say, cooperated, motivated itself to conduct the business so effectively in this meeting. I am sure the Clerk and her staff who work so hard for us would endorse that note of thanks.

**Mr. W. MCKEEVA BUSH:**

Mr. President, is this the last time we are seeing you here as Presiding Officer? Then we would like to say our good-byes.

**Mr. PRESIDENT:**

I am unable to say that with certainty. It depends upon the advice of Members, the suitability and the willingness of candidates and the availability of any suitable candidate, in fact, to take on the Office in time. So, I think you can reserve the obituary until later.

**Some Members:**

Laughter.

**ADJOURNMENT**

**HON. THOMAS C. JEFFERSON:**  
9th of November, 1990.

Mr. President, I move the adjournment of this House until the

**QUESTION PUT: AGREED.**

**AT 1:16 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M.  
FRIDAY, 9TH NOVEMBER, 1990**



**FRIDAY  
9TH NOVEMBER, 1990  
10.01 AM**

**PRAYERS**

**MR. PRESIDENT:**  
Cayman.

Prayers, the First Elected Member for Cayman Brac and Little

**CAPT. MABRY S. KIRKCONNELL:**

Let us Pray.

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.

Almighty God, from whom all wisdom and power are derived:

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 we may be enabled faithfully to perform the responsible duties of our 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 the light of His countenance upon us and give us peace now and always. Amen.

**MR. PRESIDENT:**  
Paper. Papers the Honourable First Official Member.

The Legislative Assembly is in session. Item 2 on today's Order

**PRESENTATION OF PAPERS AND REPORTS**

**THE DRAFT ESTIMATES OF REVENUE AND EXPENDITURE FOR THE YEAR 1991.**

**HON. THOMAS C. JEFFERSON:**

Mr. President, I beg to lay on the Table of this Honourable House the Draft Estimates of Revenue and Expenditure for the year 1991.

**MR. PRESIDENT:**  
Reading.

So ordered.

Item 3 on the Order Paper, Government Business, Bills, First

**GOVERNMENT BUSINESS**

**BILLS**

**FIRST READING**

**THE APPROPRIATION (1991) BILL, 1990**

**CLERK:** The Appropriation (1991) Bill, 1990.

**MR. PRESIDENT:**

A Bill entitled the Appropriation (1991) Bill, 1990 is deemed to have been read its first time and is set down for Second Reading. Bills, Second Reading.

**SECOND READING**

**THE APPROPRIATION (1991) BILL, 1990**

**CLERK:** The Appropriation (1991) Bill, 1990.

**MR. PRESIDENT:**

The Honourable First Official Member, the Financial Secretary.

**HON. THOMAS C. JEFFERSON:**

Mr. President, in presenting the Budget for 1990-91, I am very conscious, and indeed we all should be very conscious that over the past 12 months there have been changes in both the local and global economies. On the local scene, our economy has undergone some change in the

strength of its previous level and rate of growth. The changes came more quickly and dramatically during the past three months than any one of us could have anticipated. As the changes in the global economy unfurled, Cayman had not emerged unscathed, and the economy will continue to undergo further adjustments as a consequence.

Despite these actual and potential changes and adjustments, particularly those that define and will continue to define our external economic environment which in turn shapes our own growth, the Government remains hopeful, and confident in our collective future as three small islands populated by resilient people. Therefore, the Government is determined to continue to undertake those programs and projects vital to our continued growth and prosperity as well as continue to pursue those policy initiatives supportive of this same continued growth and prosperity, for these are investments in our future. Having said that, notwithstanding the public expenditure program which I shall put before you for fiscal 1990-91 is within our capabilities, but it will require prudent and stable overall and departmental fiscal management of the highest order, as well as the capacity to commit ourselves to abide by the imperatives of fiscal resource constraints.

Today, as our economy adjusts to both external and internal changes, it has become even more important than in the past to assess our spending needs more realistically, and tailor our thinking to what is fiscally possible. The inescapable starting point must be the best use of our limited resources, controlling public expenditure in all shapes and forms, ensuring achievement of value for money spent, containing recurrent expenditure through curtailment of Civil Service growth, and increasing Civil Service per capita productivity as well as overall Civil Service productivity.

Raising sufficient revenue, and how we raise it, is no less important for economic wisdom dictates that the way revenues are raised can sometimes make growth in an economy hostage to taxes. I also believe that as a first approach we must improve the efficiency and effectiveness of our revenue collection system, closely monitor the performance of the system to minimize, if not totally prevent, abuse of the system and aggressively or vigorously enforce measures to plug up loop holes in the system, collect the back revenues from those who legitimately owe Government such revenues and from those who fail to pay such revenues in a timely fashion.

It is only after we improve the efficiency and effectiveness of the revenue collection system and collect all back revenues outstanding that we should consider whether raising additional revenue is really warranted. If we fail to improve the efficiency and effectiveness of the revenue collection system, then attempts to raise additional revenues may impose costs which exceed the benefits.

My presentation will take the following format. I shall first review some of the most recent developments in the world economy that either directly or indirectly have affected and will continue to affect our own growth and prosperity. Second, I will review and analyze the state of our own economy over the past 12 to 21 months. This will be followed by an assessment of our own future growth outlook against the background of an assessment of the global economic outlook for the next 12 to 24 months. Some comments on some of the major policy initiatives Government has undertaken will be made. This will be followed by a review of the state of public finance and the 1990 Revised Estimates, and presentation of the draft estimates.

Finally, I have minimized the use of statistics in the overall presentation. These have been placed as a supplement to the presentation.

### **THE WORLD ECONOMY - Recent Developments**

The past year has been marked by extraordinary political and economic developments in our external international environment, all of which have both direct and indirect implications for our own economy, small as it may be within this same international environment. Three of these developments stand out as particularly significant to us at this juncture.

First, one year ago the Berlin Wall stood tall and firm as the major symbol of intense world divisions and "cold war" political confrontation between East and West. A little less than one month ago we witnessed on our television sets the jubilant reunification of the two Germanies into one country which will become far more powerful, both economically and politically. Combined with this has been the continuing move toward free-market economies in Eastern Europe.

Second, there is the continued happy and rapid progress toward a united Europe, a development that will have important economic implications for us, particularly with regard to market access for our tourism and financial services.

Third, on a more somber note, there are the developments in the Persian Gulf, and their adverse impact on the world economy including our own small economy. An account of the developments in the Persian Gulf, growth in the world economy is likely to continue to slow down well into 1991 and perhaps beyond, after seven years of global expansion, even though the prospects for specific countries and regions may differ widely. The scenario for oil importing developing economies including ours looks even less encouraging. As a result of the increase in oil prices, growth is expected to slow down, and inflation may remain very high in 1991.

### **Impacts on the Cayman Economy**

These developments, have and will continue to influence growth in our economy in different ways. To begin with, the move toward European unification in 1992 will present us with both challenges and opportunities, provided we are able to boldly face the challenges and are not afraid to exploit the opportunities.

In terms of the challenges, Europe 1992 will provide a larger, stronger but a more competitive market place for our tourism. The liberalization of air travel, the formation of

strategic tourism marketing alliances between wholesalers, retailers, airlines and tour operators, innovations in airline reservation systems, harmonization of excise duties (which provide the extra rationale for duty free shopping), consumer protection, and the lowering of frontier barriers to travel will all provide greater competitive challenges and opportunities for the Cayman Islands to increase its share of the European long-haul tourism market, a share which is at present only about 5 per cent. This is particularly important, for while European stay-over visitors tend to stay here for shorter periods than North American visitors, they tend to spend more per visitor than the North American visitor. To face these challenges and to take advantage of the opportunities of Europe 1992, will require new, innovative and energetic thinking on our part regarding tourism planning and development as a joint public and private sector enterprise over the next five to ten years.

Most Caymanians are aware that developments in the U.S. economy are of particular relevance and importance to the Cayman Islands since the United States is far and away the Islands' most important trading partner. Our currency is tied to the U.S. dollar; over 90 per cent of our tourism business is with the United States; 80 per cent of our imports come from the United States, and the financial sector is not only structurally integrated into the U.S. financial and capital markets, but the bulk of its assets and liabilities is U.S. dollar denominated. So, whatever happens in the U.S. economy, whether as a result of the current rise in oil price, or as a result of domestic factors, will ultimately have either a direct or an indirect bearing on growth in our own economy, either instantaneously, or with a few month's delay.

All information coming out of the United States indicates that the economy crawled at an average annual rate of growth of 0.4 per cent during the second quarter of 1990, suggesting that growth was very weak before the oil crisis began, and that the oil crisis has significantly accelerated inflation and recession, thereby undermining prospects for stronger near-term growth. Recession and higher inflationary growth prospects in the United States are further compounded by the continuing problems in the banking system as well as by persistently high trade and Federal Budget deficits. These developments have had, and will continue to have significant implications for our own growth prospects, as I will point out later.

In a more direct way, higher oil prices has had inflationary and slower growth consequences for the local economy. The inflationary consequences are in terms of higher import prices for consumer and capital goods which are passed on via higher retail prices to consumers as well as in terms of higher prices for automobile fuel, air travel and electricity. This could add at least three to six percentage points to inflation locally, which could in turn cut about two to four per cent from growth in GDP in real terms. In terms of the higher oil price direct recessionary consequences, in 1989, about five per cent of our GDP was spent on oil imports. This means that out of every \$100 of GDP, \$5 went into oil import consumption. If oil prices on the world spot market are sustained at the present US\$ 40 per barrel, the figure could soar from \$5 to about \$10 to \$12 per \$100 of GDP. This would represent a 12 per cent increase in oil import consumption in a matter of months.

## **ECONOMIC DEVELOPMENT AND FUTURE PROSPECTS IN THE CAYMAN ISLANDS**

I now turn to developments in the local economy. I shall present an overall review of the state of the economy between 1989 and the first half of 1990, and then make some projections for the 1990-91 and 1991-92 fiscal years.

### **THE STATE OF THE ECONOMY IN 1989 AND 1990: A REVIEW - OVERALL REVIEW:**

**The Domestic Sector:** At the time of writing this address, all the relevant economic statistical data that are normally used to provide an objective assessment of the state of the economy were not in as yet. However, estimates calculated by the Economic Development Unit (EDU) on the basis of the statistics available suggest that the rapid real rate of growth experienced by the economy in the 1980's appears to have peaked at 15.6 per cent in 1987. Since then, the economy continued to slow down in real terms, gradually, to 10.6 per cent in 1989, and to an estimated 9.5 per cent for the first nine months of this year. This would bring the level of growth back down to approximately the 1986 performance level. If these estimates are accurate, then the gradual slowing down of growth in the economy between 1987 to the first nine months this year suggests that the economy has been adjusting itself downward because of the pressures on capacity brought about by the substantial pace of growth over the period 1986-88, as was documented in my 1989 Budget Address.

In short then, the conclusion we may draw from the available estimates - even a cautious one - about the overall state of the economy, is that over the past 21 months, there has been a slowdown in growth in the economy. If growth in the economy has slowed as the available calculated estimates suggest, it is my view that this is nothing to be alarmed about; for the estimate of 9.5 per cent growth in 1990 compared to previous years is still a relatively substantial rate of growth.

That the economy can automatically adjust itself to the pressures on its production capacity is sound testimony, I believe, to the wisdom of the Government in following a free market economic development strategy, and sound testimony to the Government's faith in the workability of its policies based on that strategy, instead of following populist strategies and policies that seem to encourage widespread regulation to curb the pace of growth - strategies and policies which would no doubt cause greater pains than gains compared to those that may result from the economy's self-adjustment when the pressures on its capacity have grown too great.

So then, if the economy can automatically adjust itself to a more sustainable rate of growth, as the available evidence seems to suggest it is capable of doing, any call for the direct and strong growth-restraining hand of Government at this point could be a call for an economic overkill. The more prudent course of action would be to closely monitor the rate at which the economy is slowing down to make sure it settles down around the most sustainable level of growth activities.

**Possible Explanation for the Slowdown in Growth:** I have pointed out so far that the rapid build-up of growth in the economy during the 1980's appears to have abated or has been slowing down over the past 21 months. But, to say that the economy has slowed down over the past 21 months as a result of the pressures on capacity brought about by the substantial pace of growth over the previous three to four years would be a superficial observation, which is not enough. We must go beyond this observation and attempt to offer an explanation; and it is to this that I now turn.

As you probably know, in any free market economy, there are certain underlying fundamentals of growth, and when changes occur in them, the economy as a whole also changes accordingly. In economies with a central monetary system, changes in real interest rates, real exchange rates and other factors are among the most potent influences governing growth. In our economy, which does not have a central monetary authority, the most potent of these underlying fundamentals include:

1. Tourists' demand for holiday vacation
2. Private sector demand for foreign labour
3. Building construction investment spending
4. Industrial activity
5. Consumer spending
6. Inflation, Interest Rates and Savings
7. The amount of CI currency in circulation

Other factors such as changes in the quality of the labour force are also important; but we do not have sufficient amounts of meaningful economic data as yet, to provide an intelligent analysis. So for the time being, these seven factors are among the most important underlying fundamentals of growth in the economy as a whole.

**Tourists' demand for holiday vacation in the Cayman Islands:** Everybody knows that tourism is the predominant growth sector in the economy in both absolute and relative terms. Almost every Caymanian depends on tourism either directly or indirectly, or both, for his/her income. This is because tourism permeates almost every sector and every activity in the economy. Consequently, other sectors tend to follow the direction in which tourism moves.

**Stay-over Visitor Arrivals:** The number of stay-over visitors arriving in the Islands trended downward between 1987 and 1989. In 1987, stay-over arrivals grew by 25.9 per cent; this figure dropped to 4.6 per cent in 1988; and in 1989, there was a negative growth of 4.1 per cent. Last year's winter season was a particularly poor one: arrivals declined by 11.9 per cent. However, there was a modest 1.2 per cent growth in summer arrivals. The fall-off of visitor arrivals in 1989 was not unique to the Cayman Islands. Other comparable Caribbean destinations, such as Bermuda, had a relatively worse experience in the number of its stay-over arrivals. Nevertheless, visitor arrivals is perhaps the most misleading of the underlying factors that influence growth in the Cayman Islands, simply because visitor arrivals tell you how well or how poorly the airlines - and only one of these airlines belongs to us - are doing, not how well the hotels are doing, which is far more important from the standpoint of overall growth and development.

**Visitor Spending:** Visitor spending in hotels, restaurants, diving, taxi services, etc. has the most critical influence on growth in the economy, via growth in the tourism sector. From visitor spending grows all other economic benefits to the economy that justify the existence of tourism as an economic sector. If you were to ask a taxi man or one of the Island's boutique or restaurant owners how business is doing, the answer would be exclusively in terms of whether tourists are spending much money or little money. Therefore, when tourists spend more money, economic activity tends to grow and, conversely, when they spend less money, economic activity tends to slow down.

Total spending by stay-over visitors fell from \$134 million in 1988 to \$130 million in 1989, a fall of 3.0 per cent, compared to the 55.8 per cent increase in 1988 over 1987. But total spending by cruise ship visitors increased from \$9 million in 1988 to \$14 million in 1989, an increase of 56.6 per cent compared to 28.6 per cent growth in 1987. Growth in total overall spending by visitors was virtually flat, however, moving from \$143 million in 1988 to \$144 million in 1989, an increase of less than 1.0 per cent.

**Average Length of Stay:** Average length of stay by stay-over visitors peaked in 1987 at a little over seven nights per visitor. In 1989, average length of stay per visitor was 6.63 nights, a marginal increase of 0.4 nights over the 1988 low of 6.25 nights.

**Occupancy Rates:** Hotel room occupancy rates fell from 68.2 per cent in 1988 to 67.2 per cent in 1989. Hotel apartment occupancy rates (which are "unit occupancy rates") also fell from 53.7 per cent in 1988 to 51.7 per cent in 1989. Overall, occupancy rates fell from 61.0 per cent in 1988 to 59.0 per cent in 1989, reflecting an increase in the relative amounts of empty hotel rooms and apartment units that were on the market in 1989.

**The Hotel Sector Labour Market:** Although we do not have current statistics on wages in the accommodation sub-sector, we find that in terms of the number of workers employed, the hotel sector labour market was somewhat depressed in 1989. Total number of workers employed in 1989 fell by about 1.0 per cent, compared to the 7.1 per cent employment growth in 1988 over 1987.

**Conclusion:** What this analysis shows is that 1989 was not the best year for the economy in terms of buoyancy in the tourism sector. The statistics on every measure of demand show that international visitor demand for vacation in the Cayman Islands in 1989 was the weakest since the 1987 season. Weak international visitor demand for the Islands' tourism product translates into slower growth in the economy in 1989. Therefore, as tourism turns, so does the economy turn!

### Private Sector Demand for Foreign Labour

This being a labour-intensive economy, private sector demand for foreign labour is another barometer of the state of the economy. In an economy such as ours, which has a small pool of indigenous workers, and one which, therefore, has to depend on a significant inflow of immigrant workers to sustain growth, the increase or the decrease in foreign labour demand tells us whether job creation in the economy is expanding or contracting or stabilizing, which in turn reflects the health of the economy.

Unfortunately, the work permit figures on which we rely to help us understand what has happened or what is happening in the economy, are a bit problematic for two institutional reasons: One, the Caymanian Protection Board seems to have difficulty in releasing current work permit figures on request. The other reason is that the Caymanian Protection Board does not seem to have the resources to properly record and store work permit figures in an easily retrievable manner, and this may account for the first difficulty.

Nevertheless, from the information we have been able to piece together, the pace of new job creation in the economy appears to have stabilized, if not actually slowed down in 1989. Total number of work permits held in the private sector at the end of 1987 was 5,512; total held at the end of 1988 was 6,708, and total held at the end of 1989 was 8,842. On the basis of these figures alone, met or satisfied private sector demand for foreign labour in 1989 rose by only 1.6 percentage points over 1988, from 30.2 per cent in 1988 to 31.8 per cent in 1989. This is in marked contrast to the 38.3 per cent buildup in met demand between 1986 and 1987, the period during which the economy expanded most rapidly.

This is not a true reflection of actual foreign labour demand by the private sector, however, for the figures do not tell us how many additional new work permits were applied for in 1989; they only tell us how many were held at the end of the year. Nevertheless, if we use the 1989 figures on work permits held at the end of the year in conjunction with crude estimates of the number of new work permits issued during the year we find that, compared to the 1988 total of 6,114, private sector demand for foreign labour actually fell to 6,051 in 1989 - a small net fall of about 1.0 per cent.

If this assessment is correct, then the tentative conclusion here is that the capacity of the economy to generate new jobs, which in turn fuels private sector demand for foreign labour above the amount and quality that can be obtained locally, appears to have contracted somewhat in 1989. Given the problematic nature of the data available, this may be a soft conclusion, however.

### Building Construction Investments Spending

In our economy, like in most other free market economies, building construction spending is one of the leading indicators of growth. As such, it is also a major barometer of actual and potential economic activity. Statistics on the value of building construction investment approvals by the Central Planning Authority indicate that compared to 1988, building construction investment spending slowed during 1989. In 1988, total approved building construction investment spending was \$131.4 million. In 1989 total investment spending was \$136.4 million. This is a fall in growth rate from the 57.3 per cent growth in 1988 over 1987 to 11.4 per cent growth in 1989, a growth rate which is well below the 21.5 per cent growth rate recorded in 1987.

If we look at the figures on approved building construction investment spending, we will find that one possible explanation for the slow down of economic activity in the construction sector in 1989 was the relative inactivity of new building activity in the hotel and Government sub-sectors. However, economic activity expanded in the apartments/condominium, residential, commercial and industrial sub-sectors, where the rate of building construction investment spending was much higher in 1989 than in 1988. Nevertheless, the total amount of building construction investment spending was not large enough to prevent an overall slowdown in economic activity in the construction sector.

### Industrial Activity

Capital goods and intermediate consumption goods imports are goods imported by businessmen to expand industrial activity. If overall industrial activity in the economy has slowed down, this would most naturally be reflected in capital and intermediate goods imports. The Overseas Trade Statistics indicate that Capital goods imports fell both in value and as a percentage of total imports in 1989 -- by 1.1 per cent and 2 per cent respectively. In fact, as a percentage of total imports, Capital goods imports have been on the decline since 1988. In contrast, intermediate goods imports rose in value by 23.7 per cent in 1989, compared to a 16.4 per cent growth in 1988; but as a percentage of total imports, growth was much lower -- 19.0 per cent in 1989 compared to 16.0 per cent in 1988. Overall, Capital plus intermediate goods imports show no

significant growth in 1989 over 1988; and as a percentage of total imports, Capital and intermediate goods imports actually declined in 1989.

This leads to the conclusion that industrial activity appears to have slowed in 1989; and if industrial activity, which helps to expand the productive capacity of the economy, slowed, it means that the production capacity of the economy contracted; and if production capacity contracted, the inevitable outcome is a slow down in growth in the economy. The slow down in industrial activity, combined with the previous assessment of an apparent fall off in private sector demand for immigrant labour, support the assessment that the job-creation capacity of the economy contracted in 1989, or at least stabilized.

### Consumer Spending

In a free-enterprise economy like ours, when consumer spending rises, business activity expands, and when consumer spending falls, business activity contracts. It is simply a case of the law of demand and supply at work. Consumer spending is therefore one of the fundamental underlying factors of growth in the economy.

There are three measures that may be used to gauge consumer spending. First, there is household consumption spending. Here, the available statistical estimates show that private household spending increased from \$236 million in 1988 to \$247 million in 1989. But this is actually an increase of only 4.7 per cent in 1989, compared to the 16.8 per cent growth in spending recorded for 1988 over the 1987 spending level of 11.6 per cent. Consumer credit is the second measure of consumer spending; and here we see a similar pattern: a 19.3 per cent growth in 1989 compared to 22.0 per cent consumer credit expansion in 1988. Third, there is consumer goods imports. Given the high dependence of the economy on consumer goods imports, growth in consumer goods imports is really a reflection of local consumer spending.

So, if local consumer spending falls, one would expect to see a slow down in consumer goods imports; and this is precisely what the Overseas Trade Statistics for 1989 tell us. Consumer goods imports increased from \$93.7 million in 1988 to \$103 million in 1989; but this represents a growth of 10 per cent in 1989 compared to the 23 per cent expansion in 1988. As a proportion of total imports, consumer goods imports fell from 49 per cent in 1988 to 48 per cent in 1989.

So on all three measures growth in consumer spending appears to have slowed in 1989 compared to growth in the previous two years.

### Inflation, Interest Rates and Savings

Slower growth in the economy is reflected in a fall in demand, and almost every demand index I have examined so far shows that demand appears to have slowed in 1989. This may well be reflected by the rise in the inflation rate which averaged 6.0 per cent in 1989, compared to an average rate of 4.3 per cent in 1987 and 5.2 per cent in 1988.

Looking at the historical inflation and economic growth figures in Cayman over the years, it appears that the rate of growth in the economy and the rate of inflation have always moved in opposite directions: when inflation was low, the economy tended to grow at a faster rate; when inflation was higher than normal, the economy tended to grow at a slower rate. If this is so, then the inference would be correct that based on the changes in the underlying fundamentals of growth in the economy that I have examined, economic growth appears to have slowed in 1989.

The inflation rate already averaged 6.9 per cent for the first half of this year -- higher than for any year during the 1980s, and presently stands at the average of 7.8 per cent the EDU forecasted for 1990. If history is any guide to go by, and if my inferences so far are correct, then I would tentatively say that the year-end figures will show that growth in the economy slowed for two consecutive years in a row. I say this against the background of the global oil price effects and impacts on the economy as a result of the Middle East crisis.

### Interest Rates

Inflation also affects the lending and borrowing activities of both creditors and borrowers through its effects on interest rates. In the Cayman Islands, the three interest rates of interest are the CI Dollar saving deposit rate, the fixed deposit rate and the CI Dollar prime lending rate; and all three rates moved upwards in 1989. The saving deposit rate moved from a twelve-month average of 5.3 per cent in 1988 to 6.1 per cent in 1989; the fixed deposit rate on 12 month fixed deposits moved from a twelve-month average of 7.3 per cent in 1988 to 7.9 per cent in 1989; and the CI Dollar prime lending rate moved from an average of 9.0 per cent in 1988 to an average of 10.0 per cent in 1989.

From the savings and financial investment points of view this may have looked like good news. But from the borrowers' point of view, in particular mortgage borrowers, this may not have looked like good news, particularly if it is borne in mind that interest rates charged to borrowers normally have an inflation component added to them, and for some borrowers, a risk premium as well.

### Private Domestic Savings

Gross private domestic savings in the economy (the source of much of our capital formation), grew from \$33.4 million in 1988 to \$36.7 million in 1989. This may seem a decent rise in absolute terms within the context of a slower growing economy. But when it is looked at in percentage

movement terms -- which is the better way to look at it -- the rate of private savings actually fell from the 32.6% expansion in 1988 to a mere 9.6% growth in 1989, which is approximately half the average annual rate of growth (18.3%) recorded for the period 1983 to 1988.

One may ask, what factor or factors explain the slowdown in the rate of growth of so crucial an underpinning of our economy, given the fact that the higher savings deposit rate (noted previously) should have attracted a higher rate of private savings overall in 1989? The simple and straightforward explanation is that the majority of the people who save appeared to have reacted in a predictable way to the effects of the growth in inflation (noted earlier) on their standard of living. As inflation rises, the purchasing power of the CI dollar falls, and this has an adverse impact on people's standard of living. As the standard of living falls people tend to take various measures to counter the fall so that they can continue to enjoy the life-style they believe they are entitled to. The easiest counter measure that they tend to take is either to save less from their current incomes or to draw down on their past savings, and this would be reflected in the rate of growth of private domestic savings.

### The Demand for the CI Dollar

The growth in demand for the CI dollar by both individuals and business people also tells its own story about the state of the economy. In order to see what this story is in simple terms, I shall have to first explain what is meant by the demand for the CI dollar, since many of us may not be familiar with how the economy works in all areas; and certainly, most of us do not readily associate changes in the economy with changes in the amount and rate of growth of CI currency in circulation, because we normally take the amount of CI currency in circulation for granted, not realizing that this too is influenced by what happens elsewhere in the economy.

When people think of the amount of CI dollars made available to them by commercial banks through the Currency Board to do their daily business, they generally tend to think of this without regard to the impact of inflation. In other words, they generally think of the amount of CI money they want in nominal terms. In contrast, when they think of the amount of CI dollars they want in relation to the impact of inflation on that amount, they think of CI money in real terms, that is to say, they think also of the amount of goods the amount of CI money they desire can actually buy. It is in this second sense that I speak to you, about the demand for the CI dollar.

The real demand for the CI dollar by individuals and business people is their desire to obtain a certain amount of dollars adjusted for the effects of growth in the inflation rate. The higher the inflation rate, the larger the nominal amount of CI dollars individuals and business people desire to obtain in order to carry out their daily business. If, for example, the inflation rate goes from 2 per cent to 4 per cent, housewives and business people will desire to obtain twice the amount of CI dollars to be able to buy the same amount of groceries in the supermarket and to undertake business transactions as when the inflation rate was 2 per cent. So that as the inflation rate rises, the nominal demand for the CI dollar also rises, but the real demand falls.

The important point of all of this is not to demonstrate that the inflation rate has risen and that this has an effect on the demand for the CI dollar; that is well known already. The more important point is rather to demonstrate that the demand for the CI dollar is closely linked with what individuals and businessmen perceive is happening in the economy; and this point is important, because in our economy, both the CI dollar and the US dollar are freely in circulation.

When the economy grows and national income rises, individual income also rises. As individual income rises, individuals and business people demand larger amounts of CI dollars to finance their daily expenditures and to effectively meet unforeseen events. The commercial banks which monitor this demand call upon the Currency Board to increase the supply of CI notes and coins, both to maintain their own CI currency reserve requirements, and to meet their customers' demand. Conversely, when growth in the economy contracts or slows down and individual income falls, individuals and business people demand smaller amounts of CI dollars, and therefore growth in the amount of CI dollars the commercial banks request from the Currency Board, both for their own individual reserve requirements and to exchange to their customers, falls accordingly.

If you examine the statistics on the amount of CI notes and coins the Cayman Islands Currency Board circulated in 1989 and compare these statistics with those of 1988, you will see that what I have described previously is exactly what happened in 1989. The real demand for CI notes and coins moved from \$16.2 million in 1988, to \$17.3 million in 1989. This represents a 6 per cent growth in real demand in 1989, compared to the 12.5 per cent growth recorded in 1988.

### Summary and Conclusion

In the preceding overall review, I have not only advanced the view that growth in the economy over the past 21 months appears to have slowed down compared to the high rate of growth experienced from about the middle of the 1980's to the end of 1988; I have also examined the changes in seven of the major underlying factors of growth in the economy, all of which point to the conclusion that growth in the economy slowed in 1989 compared to growth in previous years.

If growth in the economy has indeed slowed, as the changes in these seven factors suggest it has, then three questions must be asked: (1) How deep is the slow down, or how long will it last?, (2) Should we begin to sound alarm bells about the slow down?, and (3) Does the continuing call for Government to adopt and pursue policies that would trigger a slower rate of growth in the economy still merit serious consideration?

We cannot say for sure how long the slow down in growth will continue; whether it will continue for the next 12 months, 18 months, or 24 months. In order to even speculate on the future duration of the slow down we would have to first answer the question of how deep is the slow down, and all the statistics for 1989 and 1990 that would be required to intelligently address this question are not yet available. Moreover, given the dependent nature of the economy, how deep the slow down in growth is and therefore how long it will last probably depends more on what happens in the world economy in general, and in the United States economy in particular, than on what happens locally. If the world economy goes into a prolonged depression, as was the case between 1980 and 1982 as a result of the disturbances in the world oil market, then it is possible that the slow down in growth in our own economy will continue for at least the next 12 to 18 months.

Should we, therefore, become unduly concerned and begin sounding alarm bells? Up till now, the trend in the slowdown in growth has been moderate rather than dramatic. If you look again at the overall rate of growth, the trend in the slow down has been from an extraordinarily robust rate of growth to a lower but still very robust real rate of growth: 15.6 per cent in 1987, 15.2 per cent in 1988, to an estimated 10.6 per cent in 1989 and 9.5 per cent for 1990, the latter of which, by world standards, is still a very muscular rate of growth. This is not to suggest that we should not at all be concerned about the slow down in growth, for even a moderate slow down in growth in a tiny dependent economy such as ours can cause some dislocations that may be out of proportion to the magnitude of the slow down.

If the economy continues to readjust itself to a more moderate growth path, either as a result of external or internal factors, is it unreasonable to suggest that the merits of the continuing notion that Government should directly intervene more in the economy to slow down the rate of growth now seems more debatable? If the economy shows evidence of having the built-in capacity to automatically slow itself down when pressures on that capacity become too great for demographic comfort, then any effort by Government to tinker with that capacity through a policy of slower growth engineering may result in greater harm than good. Good public economic management in a free market economy does not necessarily mean that Government must be seen to be actively engineering this or that aspect of growth in the economy. Rather, good public economic management in a free market economy means that the Government must know when to take action and when not to take action; and sometimes not taking action may be the most appropriate course of action. Mr. President, with this I now briefly turn to some other aspects of the economy.

#### **A REVIEW OF SOME OTHER ASPECTS OF THE ECONOMY: 1989 - The External Sector**

Although the Overseas Trade Statistics show that overall import growth slowed in 1989, the persistent underlying problem here is the continuing widening of the merchandise or visible trade deficit, or the excess value of imports over exports. A look at the most recent figures will tell you that in 1987 visible imports were in excess of visible exports by about \$161 million; by 1988 this rose sharply to \$191 million, and by the end of 1989 the trade deficit rose to \$214 million. So we are seeing a 33 per cent growth in the visible trade deficit in a period of 3 years, which was slightly higher than the previous 3 years.

Unfortunately, some sections of the local media tend to report growth in visible imports as evidence of strong or weak growth in the economy, depending upon whether the import figures are higher or lower than those of a previous year. Persistent visible trade deficits, or widening visible trade deficits are never evidence of strong growth in any economy. Rather, they are evidence that there are fundamental imbalances in that economy.

Fortunately for Cayman, however, invisible export earnings from tourism, offshore banking, and insurance services continue to play the shock-absorbing role to the external current account balance, so that even when the visible trade balance moves further and further in the negative direction, the overall balance on the external current account looks reasonably healthy.

However, over-reliance on invisible exports to continue to play the shock-absorbing role to the current account can lead an economy into a false sense of economic security. Invisible export demand is not a stable or predictable demand; unexpected developments and events in the major international tourism and financial markets can undermine the cushioning role of invisible export earnings in a matter of days.

The Cayman Islands will never have, and should never expect to achieve a surplus on its visible external trade account; but what it should aim to achieve is a gradual and purposeful slowing down of growth in its visible trade deficit. In this regard, the new thrust in agriculture is a thrust in the right direction, although it must also be recognized that, agricultural development, like the present "Buy Caymanian" Campaign, which (as I understand it) is designed to encourage local manufacturing of household and construction building materials, will still have to depend heavily on raw materials imports as input contents. Perhaps, the most immediately effective way to begin a gradual reduction in the visible trade deficit, if it could be feasibly implemented, is a reduction in the economy's oil import bill through more efficient means of local transportation. This would probably be effective in an era of rapidly escalating (higher) oil prices.

#### **The Labour Force**

I turn now to the question of the labour force. For the first time in our history, we have a comprehensive and fairly accurate statistical documentation of the structure and characteristics of the population and the labour force. These statistics are contained in the 1989 Census which was published in May this year. The entire Census Report is a massive document, so I doubt many of us has so far had the time to carefully go through this document; but it provides some interesting statistics on the labour force.



## Population and Overall Labour Force

According to the Census, at the end of 1989, there were at least 25,400 inhabitants residing in the three Islands, of which 17,000 or 67 per cent, were identified as Caymanians. Out of the 25,400 inhabitants, a total of 15,486 comprise the economically active population aged 15 years and over, or the labour force.

### Some Economic Characteristics of the Labour Force

Among some of the more illuminating statistics in the 1989 Census are those on the economic characteristics of the labour force. These are in terms of the geographical distribution of the labour force, the employment/unemployment composition of the labour force, and the male/female distribution of jobs in the economy.

### The Geographical Distribution of the Labour Force

Of a total labour force of 15,846, 14,994 or 94.6 per cent are on Grand Cayman, and the remaining 5.4 per cent are on the two Sister Islands combined. There is nothing illuminating about this for if most of the economic activities in these Islands are concentrated on Grand Cayman, then naturally, most of the labour force would also be concentrated on Grand Cayman. In terms of the numerical distribution of the labour force by electoral districts, however, the pattern in 1989 was as follows: George Town, 8,326; West Bay, 3,513; Bodden Town, 2,011; Cayman Brac, 825; East End, 648; North Side, 496; and Little Cayman, 27. Again, there is nothing particularly insightful about this distribution, since the size distribution of the labour force by districts tends to follow the variation in the size of the population by districts.

### Employment Activity in the Labour Force

What is particularly more insightful from the Census data is how, from an overall economic development perspective, employment or job opportunities are distributed across these Islands, and whether the geographical distribution of employment opportunities from the same overall development perspective is the most rational or developmental form of distribution.

Of the 15,846 workers in the labour force, a total of 14,859 was employed or held jobs, and 987 reported that they were unemployed or were available for work and seeking work, but were unable to find the jobs they wanted. This would mean an overall jobless rate of 6.2 per cent in 1989, which to some of us is a surprising finding, for we always assert with pride that there is no unemployment in Cayman.

The jobless rate on Grand Cayman in 1989 approximated the overall jobless rate, but the jobless rate on the two Sister Islands combined exceeded the overall jobless rate -- 6.2 per cent on Grand Cayman and 7.2 per cent on the Sister Islands. The jobless rate varied from district to district along the following lines: East End, 10.8 per cent; North Side, 7.9 per cent; Cayman Brac, 7.4 per cent; West Bay, 6.9 per cent; George Town, 5.6 per cent; Bodden Town, 5.5 per cent; and Little Cayman, zero per cent. It is instructive to note that some districts have unemployment rates higher than the "national" average. For example, the East End unemployment rate of 10.8 per cent is way above the national average of 6.2 per cent.

The jobless or unemployment rate also varies among different age groups. For example, among the 15 to 19-year old -- those who had just left school and had entered the labour force for the first time, 21 per cent reported that they were looking for jobs, but could not find the jobs they wanted.

These unemployment or jobless figures do not necessarily suggest that jobs were not available to those Caymanians who reported that they were searching for jobs but could not find any. Rather, they could also mean that, although jobs were available, those were not the jobs they wanted, and were prepared to sit at home and wait until the job they were looking for was made available. From what we know of job search behavior in the economy, particularly among the 15 to 19 age group, still the unemployment or jobless figures could mean that some of those who reported that they were looking for jobs but could not find the ones they wanted could have been looking for jobs which require skills and knowledge which they do not possess.

We may choose to interpret the figures on the unemployment or jobless rate in different ways, or even to ignore them; but no amount of different interpretations or pretense can hide the fact that the Census data have unearthed information which shows that there is some amount of idle human resources in the economy, and that although this may not look like a critical development issue of alarming proportions at this moment, it is nevertheless a development issue that merits development policy considerations.

I have said that in order to make one other point which has development policy implications. If you asked the development question: How are employment opportunities distributed between males and females in the economy? -- a question which probably has never been asked before -- and dig further into the 1989 Census data, you will find an instructive answer. To begin with, the working-age female population (those 15 years and older) is larger than the working-age male population (10,125 compared to 9,472); but, the female labour force (i.e. those who already had jobs, plus those who do not have jobs but who are actively looking for jobs) is smaller than the male labour force (47 per cent, compared to 53 per cent of the total labour force). This therefore means that the female labour force participation rate (that is, the number of females who are already employed, plus those who are not employed, but who are actively seeking employment as a proportion of the number of females of working age) is much lower than the male labour force participation rate. There is nothing particularly insightful about this for if you look at the labour force statistics for countries in Western

Europe, North America, East Asia, and in other parts of the Caribbean, you will find a similar pattern of development.

What is illuminating to us is that whereas there are more females of working age in the population than males of working age, fewer job opportunities appear to be available to them than to males. Mr. President, this is underlined by the comparative unemployment or jobless rate, which is 7 per cent among females and 5.5 per cent among males. On Grand Cayman, the female jobless rate is not only higher than the male jobless rate, it is also higher than the overall jobless rate for Grand Cayman, and higher than the total unemployment rate for the three Islands combined. In the two Sister Islands, the female unemployment rate is lower than the male unemployment rate, lower than the total unemployment rate for the two Islands, but slightly higher than the total unemployment rate for the three Islands combined.

At the district level the male/female unemployment rate varies. But with the exception of West Bay, Bodden Town and Cayman Brac, the female unemployment rate is higher than the male unemployment rate in all the others, with North Side having the highest female unemployment rate (15 per cent) of any of the electoral districts.

If we defined the distribution of employment opportunities in the economy between males and females as a development issue, then, based on the 1989 Census data, there is a marked imbalance in the distribution of jobs in favor of males. Furthermore, there appears to be more idle human resources among females than males in the economy. One does not know the exact reason or reasons for this development problem; but if the imbalance is in any way directly related to the male/female distribution of job skills and knowledge in the economy, then clearly, the Census data on this problem must be regarded as a most, or one of the most, invaluable information guides as to the way forward for education and job training policies, and this is particularly important for the proposal to establish an apprenticeship training scheme.

On a more fundamental level, though, the 1989 Census data on the distribution of employment opportunities across the Islands appear to be also suggesting that present and future development policies may need to take under advisement the question as to how the economy as a whole has developed in the past and whether or not it should continue developing along the same lines that it has developed in the past.

### **THE FINANCIAL COMMUNITY AND BUSINESS INVESTMENT CONFIDENCE IN THE ECONOMY**

I have dealt at some length with the state of the economy. I have pointed out that, based on our analysis and interpretation of changes in growth in:

- (i) tourists' demand for holiday vacation in the Cayman Islands;
- (ii) private sector demand for foreign labour;
- (iii) construction investment spending;
- (iv) industrial activity;
- (v) consumer spending;
- (vi) inflation, interest rates and private domestic savings; and
- (vii) the demand for the CI dollar,

real factors that we consider to have a fundamental influence on overall growth in the economy, there has been a moderate slow down in growth in the economy over the past 21 months. This should hardly come as a surprise to any one for the statistics that measure the changes in the state of the economy appear to have merely confirmed what some business people in the financial and retail trading community have been hinting at for some time. As a matter of fact, even the man on the street has suggested this. Therefore, there should be no surprise at the results of our analysis.

Does the slow down in growth in any way indicate softening in the level of confidence in the future growth of the economy by the local financial and business communities?

#### **Financial Community Confidence in the Economy**

Local financial market statistics suggest that, despite the slowing of growth in the economy which has been occurring for the past 21 months, the Cayman Islands continue to develop and expand as an international financial center. While there has been no change in net growth in the number of Category "A" Banking and Trust Licences issued in 1989, net growth in the number of Category "B" Banking and Trust Licences was 2.2 per cent in 1989 over 1988. Net overall growth in the number of Banking and Trust Licences issued in 1989 was 2.1 per cent over 1988, and 6.0 per cent over 1987. For the first eight months of this year, growth in the total number of Banking and Trust Licences was already at approximately the level of the whole of last year.

In terms of external assets and liabilities valued in U.S. dollars, total assets expanded in 1989 at virtually the same rate (20 per cent) as in 1988, but by 43.7 per cent over 1987, from US\$249.9 billion to US\$359.7 billion in 1989. Total liabilities (that is, claims of foreign creditors on the banks and trust companies) expanded in 1989 by 41.7 per cent over 1988, from US\$264 million to US\$348.6 million, and by 43.3 per cent over 1987. In terms of CI Dollar assets and liabilities held by Category "A" Banks and Trust Companies, total assets expanded in 1989 by 17 per cent compared to 22 per cent in 1988, but by 43 per cent over 1987. Total liabilities expanded in 1989 by 15.3 per cent compared to 17.9 per cent in 1988, but by 36 per cent over

1987.

The relative stability and positive growth in the local financial market under slower overall growth conditions in 1989 has been translated into;

- (a) increased financial sector contribution to national income growth; and
- (b) increased financial sector employment opportunities in the economy.

In terms of "national" income, relative stability and positive growth have been translated into an estimated \$51.0 million in real terms, which represents a 13.3 per cent growth in real national income contribution, over the 9.8 per cent growth recorded in 1988. And in terms of employment, overall financial sector employment opportunities expanded by 13.3 per cent in 1989 (compared to a 7.7 per cent expansion in 1988) -- this represents a 14.1 per cent employment expansion for Caymanians in 1989 (compared to 9.2 per cent in 1988), and a 10.7 per cent employment expansion for non-Caymanians in 1989, (compared to 2.8 per cent in 1988).

### **Business Investment Confidence in the Economy**

Growth in the number of new companies registered to do business in the Islands fell from 23.8 per cent in 1988 to 6.9 per cent in 1989, but net growth in the overall number of companies registered increased from 8.2 per cent in 1988 to 9.6 per cent in 1989. For the first eight months of this year growth in the total number of companies registered expanded to 11.8 per cent, compared to the 9.6 per cent increase for the whole of last year. In terms of business investment borrowing from commercial banks, this expanded from 22.2 per cent in 1988 to 28.6 per cent in 1989, or from \$192.2 million to \$252.3 million. In terms of how this increase in business investment borrowing was translated into national income growth by the borrowing sector we do not have reasonably sound estimates as yet, for it does take a little time for the effects of business investment borrowing to show up in national income statistics.

### **CONCLUSIONS**

What I have attempted to do is to address the question as to whether or not the slowing of overall growth in the economy as reflected by the changes in the seven major factors I have examined has in any way adversely affected confidence in the economy on the part of the financial community and on the part of commercial business investors. Probably, a better way to have addressed this question was to have asked them directly; but we do not have the luxury of such a choice.

So we have to measure this confidence by looking at the statistics on some of their economic activities, which give us insights into how they probably have responded in general to the softening of growth in the economy. Our examination of these statistics indicates that there is continuing strong confidence on the part of the international and local banking community, and on the part of foreign and local investors in the growth prospects of the economy, to which I now turn.

### **ECONOMIC PROSPECTS FOR 1991 AND 1992**

Economists who often make projections and forecasts as part of their profession will tell you that economic forecasting and projections are at best an art rather than a science, and therefore, such forecasting and projections are a highly risky business, especially if the forecasts and/or projections extend over a long future period, and if used recklessly as a guide to future policy; for often the forecasts and/or projections turn out to be wide off the mark either on the downside or upside. This is because there are so many unknown and unknowable factors that influence changes in an economy, and even with some factors that are known and knowable, one cannot be certain that their future behavior will be similar to their past and present behavior.

### **Growth Prospects in the World Economy**

Nevertheless, turning first to the outlook for growth in the world economy, the consensus forecasts among North American economists is that the 1990-91 global oil price shock has ensured lower growth and higher inflation in the global economy for at least during 1991, with some industrial countries, -- for example the United States and Britain heading towards recession.

According to the International Monetary Fund's (IMF) latest forecast (which takes into consideration the present oil crisis and which also assumes a peaceful resolution of the problem in the Persian Gulf which gave rise to the crisis), America's economy will grow by 1.7 per cent in 1991, compared to the 2.5 per cent growth in 1989, and the inflation rate will be higher in 1991 than in 1989. Slow growth and higher inflation are also forecasted for both West Germany and Japan in 1991. With slower growth and higher inflation expected in these three predominant industrial economies, the IMF predicts lower growth and higher inflation in the world economy for 1991 compared to 1989.

Turning more specifically but briefly to an assessment of the implications of the 1991 growth prospects in the U.S. economy for our own economy, in general, higher oil price-induced slower growth, higher inflation, recessionary prospects combined with persistently high trade and Federal Budget deficits and the problems that plague the American banking system will continue to have a

moderating psychological effect on our expectations for growth in our own economy.

In terms of tourism, slower growth, higher inflation and recessionary prospects in the United States are expected to further erode disposable incomes forcing consumers to cut spending further. These developments will likely have an adverse impact on growth expectations in our tourism sector through a softening in demand for our tourism product, since stable and upward growth in disposable incomes and consumer spending in the U.S. in particular, are the two main factors determining the demand for our tourism product in the U.S. travel market. Thus, the unencouraging future growth outlook in the U.S. for 1991, could for us, be translated into a fall-off in tourist demand which will be reflected in either a fall in stay over arrivals, a fall-off in average length of stay, a further decline in hotel and condominium occupancy rates, and worst of all a fall in per capita stay over visitor spending, unless we redouble our marketing efforts to counter some of these consequences. Failure to do this will ultimately have negative impacts on public revenue, the balance of payments and on all those small businesses which directly depend on tourism as on-going concerns.

Assessment of the implications of the 1991 growth outlook for the U.S. economy for our local financial services sector is a little more daunting than the assessment of the implications for the tourism sector, but equally important, mainly because there are many more complex but unknown factors involved. For one, investors' behavior in the U.S. financial and capital markets change on a daily basis making such behavior difficult to predict, and the fundamentals of growth that underlie the financial and capital markets are highly volatile.

For example, the Dow Jones Industrial Average react swiftly to news, and may be up this day and down the other day. In addition the hesitancy of the Federal Reserve Board (FED) to ease credit conditions by lowering interest rates and the suspension of the Gulf region between war and negotiation all combined to create a climate of uncertainty in the U.S. financial and capital markets. Given this climate of uncertain, one could possible see a policy of extra caution and conservatism regarding new financial initiatives on the part of our local financial institutions until the global, and more specifically U.S. economic conditions settle down and a clearer reading of market conditions becomes available.

#### **Outlook for the Cayman Economy: 1991-92**

Given the preceding assessment of some of the implications for our economy of the slower growth and higher inflation prospects for the world economy and the slow-motion slump in the U.S. economy in particular, we have constructed three scenarios of the likely growth prospects in our economy over the next twelve to twenty-four months. Bearing in mind the caveats mentioned previously about forecasts and projections, none of these scenarios says what will happen in the economy is bound to occur. Rather, each says what will likely happen given certain assumptions and observations about our past growth performance under similar global economic conditions, as well as assumptions based on our assessment of the implications of IMF forecasts of growth in the industrial economies during 1991.

#### **SCENARIO 1: BASE LINE PROJECTIONS**

The first set of projections are base line projections and based on the following assumptions:

- (i) War will be averted in the Persian Gulf, but the region will continue to be suspended between negotiation, the trade embargo and open conflict for the next six months;
- (ii) current oil price which was near US\$40 per barrel in October will likely settle down between US\$35 and US\$40 per barrel on the international market barring no further dramatic upward shift in demand;
- (iii) if the U.S. economy is heading towards recession, or is already in recession, the recession will not be long lasting, so that there will be no further dramatic deterioration in growth than at present, and consumer, business and investment confidence in that economy will be sustained at current levels;
- (iv) as a consequence, real growth in our own economy will not significantly drop below the current level, because the observed slowdown is not deep, and that even if recessionary conditions are present or are close at hand, the recession will not be lasting.

Given these broad assumptions, the economy could grow in real terms by an additional amount of 4.8 per cent in 1991, and by 4.5 per cent in 1992. The inflation rate could average at least 8.0 per cent in 1991, up at least 0.2 per cent from our forecasted average rate of about 7.8 per cent for 1990, but some slight relief (7.2 per cent) in 1992. In either case inflation is expected to average 7.6 per cent over the next 12 to 24 months. Stay-over visitor arrivals will grow by 6.1 per cent in 1991, about half the projected growth rate for 1990, but certainly higher than growth in 1989.

The principal reasons for the expected lower growth in tourism during 1991 is the fall in growth of disposable incomes and consumer spending in the U.S., as noted previously. The expected slower growth in stay-over visitor arrivals in 1991 could mean a drop in public revenue from this source. This will probably be the case if those visitors who continue to come, despite economic conditions in the USA, stay fewer than their usual number of days and also spend less per person. Further, since earnings from tourism help to offset declines in our external payments position, softness in tourism earnings could also mean further deterioration in our balance of payments position.

In addition, we expect consumer spending to grow by 4.5 per

cent in 1991 and by about 4.2 per cent in 1992 or at an average rate of 4.3 per cent over the next 12-24 months; but this is on the assumption that inflation does not exceed 7.6 per cent on the average for the same period of time. If inflation exceeded this rate, consumer spending could be lower, as prices climb. The outcome would probably be a dampening effect on business investment spending which is estimated to grow by 4.8 per cent in 1991, and 4.3 per cent in 1992.

Finally, Government gets about 40 per cent of its revenue from import duties via import demand. Assuming that economic growth in 1991 and 1992 will be no slower than it was in 1989 and 1990, overall import demand is expected to grow by 6.5 per cent in 1991 and a slightly lower 6.1 per cent in 1992, which would be lower than the growth rate in 1989. If growth in imports is positively correlated with growth in import duties, then revenues from import duty is expected to grow by about 4 per cent in 1991.

### SCENARIO 2: PESSIMISTIC PROJECTIONS

This second scenario is a worst case scenario and assumes that the slowdown in growth is deep. It also assumes that the international trade embargo on Iraq will be ineffective, a negotiated withdrawal of Iraqi troops from Kuwait will not be possible, and War will be the solution pursued. In this case, according to recent World Bank estimates, oil prices would soar to US\$58 a barrel for the rest of 1990, and peak at US\$65 next year. Prices that high could cripple the world's economies.

How much more damage will higher oil prices inflict on the local economy? If crude oil prices average more than US\$34 a barrel over the next 15-24 months, the economy will grow by only 1.7 per cent in 1991, and by a scant 0.6 per cent in 1992. Inflation which is 7.8 per cent in 1990, would leap to 9.5 per cent in 1991 and would spike to an estimated 10.1 per cent in 1992. The scenario gets bleaker if the average price of a barrel of oil tops US\$43.0, for this would mean gasoline prices at the pump would move from the present \$2.02 per gallon to about \$3.12 per gallon on the average, or higher, causing inflation to soar even higher.

Stay-over visitor arrivals would be negative in growth in 1991, but show a modest recovery (3 per cent) in 1992; overall import demand would show a negative growth in 1991, but a 0.4 per cent positive growth in 1992. These and other projections under our more pessimistic assumptions would have implications for growth in public revenues. It would mean less revenues from, for example, tourist's activities and import duty, which would make a sharp slowdown in some areas of public expenditure growth an imperative.

### SCENARIO 3: OPTIMISTIC PROJECTIONS

Our optimistic projections are based on the following assumptions:

- (i) the state of the economy in 1991 and 1992 will be far better than it was in 1989 and 1990;
- (ii) the international trade embargo on Iraq will be effective, and that Iraq will withdraw from Kuwait peacefully, consequently averting war. The outcome is that oil prices will fall back to the pre-crisis level of about US\$20.00 per barrel, the level towards which prices were moving just before the crisis; and
- (iii) the industrial economies, and the U.S. economy in particular, will be more upbeat than forecasters currently predict.

On the basis of our more optimistic projections, Gross Domestic Product (GDP) is expected to grow at an average annual rate of 7.3 per cent in nominal terms over the next two years; expected inflation 4.9 per cent to 5.0 per cent in 1991 and 4.7 per cent in 1992; stay over visitor arrivals 10.5 per cent, overall import demand 17.2 per cent; consumer goods import demand 14.1 per cent; capital goods import demand 15.2 per cent; intermediate goods import demand 14.5 per cent; industrial activity 19.1 per cent; overall domestic demand 6.4 per cent; private consumption spending 6.6 per cent; and investment spending 6.8 per cent.

Obviously, what will actually happen in the economy in terms of growth lies somewhere in between the three scenarios that I have just outlined; so that as a key rule of forecasting or projections, one of the scenarios will turn out to be wrong; which one of these, I cannot say. Given this uncertainty, as a rule, the approach should be caution, and there is nothing wrong with this approach in times of uncertainty, as has been the case since August 2. What would probably be wrong is if we throw caution to the wind and proceed with spending our expenditure proposals as if the present world economic situation is of no consequence to growth in our own economy.

Nevertheless, despite inflation and recessionary prospects, despite the slowdown in growth, and despite the uncertainties, there is a number of areas in which growth-oriented development policy actions have been initiated, and must continue, and it is to this that I now turn.

### MAJOR DEVELOPMENT POLICY INITIATIVES

#### Manpower Training and Economic Development

In my Budget Address last year, I identified and outlined a number of structural weaknesses in the economy which call for priority policy action. One of these weaknesses, is the continuing imbalance between the demand and supply of trained indigenous labour, particularly in the middle -

and upper-level professional, managerial, administrative and technical skill areas, which was rapidly assuming chronic proportions. I pointed out further that a continuing under-supply in the quantity and quality of indigenous labour in these areas relative to growth in demand would make it far more difficult to sustain growth in the economy without continued and increased dependence on significant inflows of expatriate human capital; and that even if growth in the economy were to be slowed whether by deliberate Government action or as a result of external developments, the imbalance between the demand and supply of trained indigenous manpower would still remain a critical development problem.

The policy approach to this problem that I proposed last year is active short-term, medium-term, and long-term programmes to enable Caymanians to acquire the skills, knowledge, expertise, and experience at levels determined by employers' demand, not only to fill job slots, but which also will provide Caymanians with the tools to use their minds more effectively and to enable them to understand how the economy works. I further pointed out, that the first step in this approach was not to begin blindly by formulating human resource training and development policies; for to do so would be to shoot at the stone, when we should be shooting at the tree, or vice-versa. Rather, the first step must be to collect and analyze "hard" information on the actual and potential market demand for appropriately-trained manpower by economic sectors, skill levels, occupation, and by education and training.

In furtherance of this policy initiative the Government, through the Portfolio of Finance and Development, launched an Economy-wide Manpower Demand Survey in March with the enthusiastic support and active participation of a wide cross-section of private sector business leaders. This Survey is the first of its kind in the Cayman Islands - at least to my memory.

The main and immediate objective of the Survey was to "determine and measure employers' current and anticipated demand for trained middle- and upper-level professional, managerial, administrative, and technical skills by occupational, educational, and sectorial levels, as well as employers' current and anticipated demand for skilled and semi-skilled labour in the Cayman Economy.

After months of on-going hard work which also involved overcoming a number of unexpected constraints, the Report presenting the results of the Survey are now in its final stages of preparation, and the draft Report will be presented to Government by the end of this month.

The forward plan under consideration, is to use the Report to formulate in collaboration with the private sector, comprehensive but pragmatic and flexible short-term, medium-term, and long-term manpower training and development policies and programs aimed at:

1. Gradually reducing over-time, and ultimately eliminating as much as is feasible the supply deficiencies in the quantity and quality of indigenous manpower skills, ultimately bringing both the quantity and quality more closely in line with the actual and anticipated market demand;
2. Development of a practical or implementable apprenticeship training scheme focussing on readily marketable job skills and knowledge;
3. Integration of the policies and programs into formal educational policies and programs at the secondary (high school) and tertiary levels of the local education system; and
4. Establishment of the institutional mechanism (or mechanisms) or reorganization of the existing ones to effectively and efficiently translate the policies and programs into concrete and on-going actions.

Actually, objectives "2" and "3" are part of the package under consideration in objective "1"; but I have spelt out these two objectives separately, in view of the proposal by the Honorable Member for Tourism and Labour to establish an apprenticeship scheme, and in view of the educational plan under preparation by the Portfolio of Education, Environment, Recreation and Culture, as well as to underline the comprehensiveness of our forward looking approach.

Objective "4" suggests that we will have to look carefully at the institutional mechanism for implementing the policies and programs that will evolve from the results of the Survey. The critical question will be whether or not the existing institutional mechanism is adequately equipped, both institutionally and with the human resource capabilities, to effectively and efficiently implement the policies and programs under consideration.

I say this because the vision that went into the Survey is one which designed the Survey to produce results that will provide the basis for designing policies and programs for manpower training and development of a wider scope and purpose than merely human resource training and development for the Civil Service. In short, what is envisioned as the immediate concrete policy outcomes of the Survey is a "national" manpower training and development program, a program in which the Government also provides leadership and the institutional mechanisms to encourage private sector support and beyond this to induce active and concrete private sector participation in the implementation of the policies and programs.

### **Agriculture and Economic Development**

Last year I also identified the economy's over-dependence on tourism and off-shore financial services as a structural weakness, and indicated that there was an obvious need to diversify the productive base of the economy in order to give it a more durable growth foundation. I also indicated that based on the information that was available about the market demand for locally grown fresh agricultural produce, agricultural development could become part of a meaningful economic diversification strategy in the Cayman Islands. But for agricultural development to be a viable activity in the economy, there have to be workable policies, strategies, and programs that take into full consideration the special characteristics of the Islands and the natural and human resource limitations on agricultural development as part of an economic diversification strategy.

At that time when I spoke, the Portfolio responsible for Agriculture with the guiding assistance of the Economic Development Unit had already initiated the process of preparing an agricultural development plan along the lines I have just indicated. In June, the Government, through the Portfolio responsible for Agriculture, tabled before the Legislative Assembly an historic Five-Year Agricultural Development Plan (1990-1995). The Plan, Mr. President, is the first comprehensive agricultural development plan prepared for the Cayman Islands. It was unanimously endorsed by this Assembly, and is enthusiastically supported by members of the farming community.

This Plan represents a major development policy initiative by the present Government towards diversifying the productive base of the economy.

However, agricultural development is only one area in which an economic diversification strategy can be feasibly pursued. As I indicated last year, another area could be light manufacturing of the electronics assembly industry type that has a high technological skills and knowledge transfer content primarily as an export-oriented economic activity. Electronics assembly manufacturing industries of the type I am proposing could be linked to the manpower training and development program being considered particularly to the apprenticeship skill development component of the program. For certainly if we are going to invest in skill-building programs, such programs would be grossly myopic if they focus only on service-oriented skill building. I believe such programmes must also focus on the cultivation and building of entrepreneurial talents and skills geared towards small industry starts as also part of a longer-term economic diversification strategy for the economy.

This light manufacturing industry-apprenticeship skill development linkage could be either "backward" or "forward" linkages with special emphasis in those skill areas critical to the long-term development of the economy. I am sure that if this proposal is examined in detail for its overall development merit, there will be several locations in these Islands that would want to be candidates for the establishment of this component of the manpower training program. Places like Bodden Town, East End, North Side, Cayman Brac, and even West Bay come to mind, in view of what I said earlier about the unequal distribution of economic development activity and consequent employment opportunities across these Islands.

### **Tourism and Economic Development**

A third development policy initiative by Government is in the area of tourism and economic development. I will not say much on this initiative for I know the Honorable Member responsible for developing this initiative will have plenty to say about it in his presentation. Suffice it to say, however, that as the present century comes to a close, a number of events have occurred internationally (some of which I have earlier outlined) which will present major challenges and opportunities for the local tourism sector.

Recognizing these challenges and opportunities, the Government, through the Portfolio of Tourism, Aviation and Trade, proposes to develop and implement a long-term tourism and economic development plan. The purpose of the Plan "is to chart the way forward for Cayman Islands Tourism for the next 15 years". The proposed Plan will be the fundamental policy and planning document for Government's programs for tourism development over the next fifteen years.

### **Education and Economic Development**

The Honorable Member for Education, Environment, Recreation, and Culture will be dealing with the direction of educational policy for the next few years when he addresses this House, so I will not get into the specifics of educational policy direction, or the specifics of any new educational policy initiative. But I think the initiative of the Government through the Portfolio of Education, Environment, Recreation and Culture to forge a stronger link between the educational system and economic and social development in the Cayman Islands must be forcefully recognized and applauded as another very important aspect of the Government's long-term economic growth and development strategy.

The major ultimate policy goal of the initiative, is to produce a curriculum which will "equip every school leaver at 16+ to present to the employer a well-rounded individual with basic knowledge and skills that would facilitate training in a given vocation".

### **Public Sector Capital Investment Planning and Economic Development**

As I indicated last year, while the way we have traditionally approached public sector capital investment planning and programming decisions may have served us well to some extent in the past, in the contexts of the rapid growth in the economy and the consequent growth in the number of competing demands on limited public resources, we need to critically reexamine that traditional approach to determine whether that approach provides Government with the ability to make the best decisions with respect to the allocation and use of its limited pool of capital investment funds.

I also pointed out last year that if the Government is to make the best investment decision and consequently avoid or minimize resource allocation problems inherent in the traditional approach, then institutional measures need to be developed, adopted, and implemented to ensure that capital projects proposed by portfolios, departments and agencies, do in fact represent the most cost-effective or least-cost solutions for the development problem or problems they are intended to address.

Such an institutional mechanism has been developed in the form of the Public Sector Investment Committee (PSIC) which has been adopted by Government. I must stress, for the benefit of Members of this honourable House, that the functions of the PSIC as presently formulated do not

include policy decision-making with regard to what project or projects get implemented or do not get implemented. The decision to approve or reject a particular capital project or set of capital projects remains as it has always been, with Executive Council.

Rather, the functions of the PSIC will be purely technical and advisory which will enable the Executive Council to make their decision on information which includes the following:

1. Whether the development problem that the proposed project intends to address has been clearly defined the problem to be solved is a "critical" one, and of the type and priority which merits expenditure of government funds; and whether the project as proposed represents the best solution of the development problem it is intended to solve;
2. The appropriateness of the project or projects proposed for funding in the context of national development goals, objectives and policies as reflected in an overall economic development policy framework;
3. Whether the project alternative selected for implementation would provide maximum benefits at minimum costs and promote the best utilization of scarce resources;
4. The ranking or prioritization of projects, based on economic, financial, technical, environmental, social, sociocultural, institutional, and where applicable, commercial appraisals consistent with the stated objective or objectives, aims and goals of the projects;
5. The impact the project would make on the resources available in the public sector budget, as well as on the debt-servicing capacity of the Government over the Project's useful life;
6. The impact the project would make on communities or groups of individuals; and
7. The implementation progress of projects, and their development successes or failures.

Adoption and implementation of the PSIC by Government will inevitably mean the adoption and implementation of the internationally-widely used economic planning framework known as the "project cycle", as a matter of policy, and the PSIC will be the principal institutional vehicle for implementing this policy. The project cycle policy approach to capital investment planning will make it a mandatory policy requirement that most "hard" capital investment projects requiring public outlays of hundreds of thousands of dollars, and certainly millions of dollars, and even some "soft" projects go through the process of project identification, preparation, appraisal (or evaluation), implementation and implementation monitoring, and post-completion evaluation.

Although the project cycle policy approach to public sector capital investment planning and programming has been around for a very long time, and is widely used in some form in the local private sector, to most of us in the public sector, it is an innovative approach to capital resource allocation and management. Recognizing this, the Portfolio of Finance and Development, initiated and held in collaboration with the Caribbean Development Bank (CDB) two seminars on Public Sector Project Preparation and Management as a vehicle to introduce all senior and middle-level civil servants to the concept of the project cycle and its practical use as a tool for project preparation and management.

The first Seminar was held from August 20-21, in which most heads of department, together with Members of Council participated. The second Seminar was held from October 4-5 and was attended by approximately 60 civil servants at both the senior and middle levels. The high level of participation of civil servants on all 4 days of the two Seminars all together was evidence of their enthusiasm and interest in this initiative.

In addition to these two Seminars, Government has also held a half-day workshop on 22 October with elected Members of the Assembly not on the Executive Council, to formally introduce them to this new approach.

Both Seminars were designed mainly as an educational or awareness exercise for civil servants. We have plans for a third Seminar which will run for three weeks in March next year. This third Seminar will seek to impart the practical or working skills and knowledge in project preparation and management to civil servants, and will again be put on in collaboration with CDB.

### **Fiscal Planning, Budgeting, and Economic Development**

As you already know, public finance, of which the Annual National Budget is the principal short-term instrument, shapes the course of economic development. It affects the way in which resources are allocated among competing demands in the public sector and the financing patterns among these demands. In the economy as a whole, the way fiscal revenues are raised influences the accumulation of external debt, the rate of inflation, the behavior of the private sector, productivity growth in the economy, the ability to collect more revenue, and ultimately growth in the economy, among other considerations.

Given the fact that public finance shapes the course of economic development, Government can use the Annual National Budget to promote economic growth by concentrating on what it does best. But concentrating on what Government does best means far more than collecting revenues and using them to supply the physical infrastructure needed for productive private investment and to provide social, educational, and health services to meet the basic needs and improve the productivity of the population.

Equally important is the setting of priorities and the achievement of quality or value for money in public spending.

Priority setting in fiscal planning tends to emerge under four conditions:



- (i) when Government considers what it does best and what the market does best;
- (ii) priorities tend to emerge more forcefully if Government Portfolios, Departments, etc. are fully aware of their specific resource constraints and are obliged to abide by them in planning and budgeting every year. This means, among other things, that fiscal planning and budgeting does not simply mean collating numbers and adding and subtracting dollar figures. It also means selecting and setting priorities and adequately justifying those priorities within the context of a broader economic and fiscal framework;
- (iii) priorities in fiscal planning and budgeting tend to emerge when we draw distinctions between essential and optional programs or between essential spending and optional spending. Essential spending is expenditures on programs determined by, and targeted to clearly identified and defined concrete needs -- human and institutional -- which if not addressed currently, would make conditions worse, or result in a fall in productivity, ultimately necessitating greater public expenditure at a later date. In contrast, "optional spending" is expenditure on programs determined largely by and targeted to perceived desires -- human and institutional -- which in the majority of observed cases appear to spring from intellectual confusion between style of performance and the productivity of the performance, or more simply put, a confusion between style and substance. The failure to draw a distinction between essential and optional spending in budgeting usually result in increase spending with no marked improvement in performance quality or productivity; and finally
- (iv) priorities and quality in fiscal planning and budgeting tend to emerge when we disabuse ourselves of the notion that the first approach to the solution of a problem -- human and institutional -- is to throw money or more money at the problem. Rather, the first approach is a careful diagnosis of the problem to determine its causes. Only after we carefully diagnosed the problem will we be in the position to determine whether spending more money, or budgeting more money is a correct solution to the problem. If we fail to diagnose the problem, before deciding that budgeting money, or more spending is a correct solution, then we may find ourselves spending to cure the symptoms of the problem rather than spending to eliminate the causes of the problem.

Setting priorities is only a first step in fiscal planning and budgeting. The requirement of sound fiscal planning and budgeting, is that all dimensions of investment projects: economic, financial, technical, administrative, etc., must be appropriately evaluated, designed and implemented in a policy environment that provides the incentives for good performance. On the recurrent side of fiscal planning and budgeting, priorities and quality must also be considered in allocating recurrent public spending. Adequate spending on operation and maintenance will often be more cost-efficient than new investment spending; hiring fewer civil servants and paying them competitive wages will be more cost-effective than using government as the employer of last resort.

The point of saying all this, as harsh as it may sound to some, is that the expansion of the Government over the years as a result of the expansion of growth in the economy, and concomitantly, the growth in public spending, has given rise to the recognition of the need to improve the efficiency and effectiveness of our resource planning and allocation machinery.

Improving the efficiency and effectiveness of public spending requires reform, or at least rationalization of fiscal planning, budgeting, implementation and monitoring. Sound fiscal planning and budgeting ideally involves formulating a phased investment program, projecting or forecasting revenue in the light of projections or forecasts of current and future spending needs, and assessing revenue availability, and borrowing requirements (where warranted) for three to five years, all set in the context of a consistent overall economic and fiscal framework. The annual budget would then become a comprehensive one-year slice of this medium-term fiscal plan.

As a first step towards translating some of these ideas into concrete actions the Portfolio of Finance and Development has set up a Working Committee to review all aspects of our existing fiscal planning and annual budget making procedures. The aim is rationalizing or possibly reforming the system in order to provide a more efficient and effective fiscal resources planning, management and annual budget making process, which will be operationally linked with the "new" public sector capital investment planning and programming process, within the context of an overall development planning framework.

In addition to the work of the Budget Review Committee, we have also taken steps to establish a public debt management system. The major perceived advantages of the system is that it will provide more structure and formality to public sector debt management, which in turn will ensure more accurate measurement of our debt servicing capacity, greater timeliness and reliability of the information on which debt incurring decisions are made, and facilitate the formulation of better informed public debt policy guidelines.

Some of us may ask how do all these policy initiatives fit together. This would be a legitimate and timely question, for ideally, these policy initiatives all presuppose the existence of at least an overall or macro-economic framework which clearly sets out long-term, medium-term and short-term goals, objectives and strategies from which sectorial policies and strategies are derived. Such an overall policy frame-work has been in existence since March 1989 when it was formulated by the Portfolio of Finance and Development.

Admittedly, the framework was never widely circulated because it is yet to be debated by Executive Council. Yet, when I examine this overall policy framework I find that it speaks of the same policy initiatives that I have outlined previously in terms of their goals, objectives, and strategies over the medium to longer term. The Portfolio of Finance and Development is presently updating and broadening this framework to incorporate considerations that were not included when it was first formulated in 1989, and to

resubmit it to Executive Council for debate.

## SUMMARY AND CONCLUSION

In the context of the present global and local economic situations that I have outlined, these are undoubtedly times of tense public sector budget issues. Our goal must be to eliminate waste in the use of public resources and reduce recurrent expenses without diminishing the overall quality of services. Secondly, we must strive to attain and maintain distinction more in the quality than in the quantity of the services our resources permit us to rationally provide, for this more than anything else is the criterion against which future generations will measure and judge our performance. Thirdly, we must plug the holes in our revenue collection system that threaten to drain our resources. Fourthly, we must also seek to reduce the size of the civil service wherever feasible without causing the trauma that hits public services in other Caribbean countries.

I began this presentation with a review of some of the most recent developments in the world economy and how these have, and will continue to affect us. This was followed by a review of the state of the economy over the past 12 to 21 months and an assessment of our economic prospects over the next 12 to 24 months. I also emphasized some of the major development policy initiatives that the Government has undertaken, and which, despite a moderate downturn in the economy and future growth uncertainty, the Government must continue to pursue. Against this background, I now turn to a review of the present state of public finances and presentation of the Draft Estimates for fiscal 1990-1991.

## REVISED ESTIMATES 1990 AND THE PRESENT STATE OF PUBLIC FINANCES

### Revised Estimates

The revised estimates for the current fiscal year indicate that the total government expenditure will, at \$118.6 million, exceed the original estimate of \$110.8 million by approximately 7.0 per cent. This estimated overrun is primarily a result of a combination of supplementary expenditure approvals of \$14.1 million on the one hand, and expected cost savings under Statutory and Capital Expenditures on the other hand. Total government revenue, at \$100.3 million, is expected to fall below the original estimate of \$102.8 million by about 2.5 per cent. This shortfall in total revenue can be primarily attributed to the fact that some \$2.4 million of approved loans are not expected to be drawn down by year-end. Furthermore, revised ordinary revenues for the current year are expected to equal the original estimated figure of \$98.8 million.

As a result, the revised 1990 deficit of \$18.3 million before 1989 carried forward surplus and transfers from General Reserve, is higher than the original estimate of \$8.1 million. However, when we include the 1989 carried forward surplus of \$11.8 million and a proposed transfer of \$7.8 million from General Reserve during 1990, we are expecting an overall surplus for the current year of \$1.3 million, instead of the original estimated surplus of \$1.1 million.

The general reserve balance at the beginning of the year stood at \$18.2 million. The interest earned during the current year is expected to total \$1.4 million, which produces an estimated total at year-end of \$19.6 million. It is proposed in the 1990 revised budget to transfer \$7.8 million from General Reserve to general revenue, thereby causing a reduction in reserve position to \$11.8 million. The balance on the Pension Contribution Reserve account is estimated at \$1.0 million by year-end. This represents the proceeds of the 4% deduction from civil service salaries and interest earned on these proceeds for the current year.

At 1 January 1990, the total public debt stood at \$29.8 million, of which \$19.4 million was direct central government debt, and \$10.4 million was self-financing debt owed by the statutory authorities but guaranteed by Government. The principal repayments and reevaluation on public debt this year are expected to total about \$1.4 million, although some \$0.6 million of this total is to be reimbursed by the Civil Aviation and Port Authorities. It is estimated that by the end of the current year a total of \$2.1 million additional debt will have been purchased. Of this \$2.1 million, \$1.6 million relates to central government and \$0.5 million was drawn down to fund the Water Authority's Spotts pipeline extension.

These changes in the public debt position indicate that total public debt obligations will stand at approximately \$30.5 million by year-end. Of this total, only \$6.7 million is expected to relate to central Government as a result of the transfer of the Water Authority, and \$23.8 million will relate to the statutory authorities.

## DRAFT ESTIMATES FOR 1991

I now turn to the 1991 Draft Estimates of Revenue and Expenditure. In so doing, we are faced with a dilemma. On the one hand, we are faced with a softening economy and a limited revenue base; on the other hand, we need to focus on the policy initiatives that address some of the underlying structural weaknesses in our economy, which I outlined earlier. And we are expected to do this without significantly hampering real economic growth. Furthermore, if the Government cuts back significantly on its spending this could exacerbate the slowing in economic growth and reduce national income.

The 1991 Budget, therefore, is one that proposes to use debt financing for capital projects which support policy initiatives in the following areas: education and training; diversification of the local economy; road development; medical and dental care; tourism development; and development planning and budgetary administration.

Prior to concluding, may I express my sincere appreciation to the staff of my Portfolio, Finance and Development for the unstinting support they have given me and, more generally, to the Civil Service on whose support I humbly rely.

I recommend the Appropriations Bill (1991) 1990, proposing an estimated sum for Recurrent, Capital and New Services of \$115,769,600. Not included are the Statutory Provisions for loan repayment, Pensions and Gratuities, amounting to \$7,745,658. **The total expenditure is \$123,515,258.**

Thank you Mr. President.

#### **MOTION TO DEFER SECOND READING DEBATE**

**HON. THOMAS C. JEFFERSON:**  
until Friday 16 November 1990?

May I move that the debate on the Budget Address be deferred

**MR. PRESIDENT:**

The question is that the Appropriation (1991) Bill, 1990 be given its Second Reading. The motion would normally be opened for debate but it is proposed that it be deferred until Friday 16 November.

I shall put the question accordingly.

**QUESTION PUT: AGREED.**

**THAT THE DEBATE ON THE SECOND READING OF THE APPROPRIATION (1991) BILL, 1990 BE DEFERRED UNTIL FRIDAY 16 NOVEMBER 1990.**

#### **ADJOURNMENT**

**HON. THOMAS C. JEFFERSON:**

Mr. President, before moving the adjournment, maybe I should offer a bit of explanation. Monday is a holiday, Tuesday Honourable Members have agreed to leave to us (Members of Executive Council) to deal with Executive Council's matters. So, I would therefore move the adjournment of this Honourable House until Wednesday 14 November 1990.

**QUESTION PUT: AGREED.**

**THAT THE HOUSE STAND ADJOURNED UNTIL WEDNESDAY, 14 NOVEMBER 1990.**

**APPENDIX**  
**STATISTICAL SUPPLEMENT**

**1. GDP CALCULATIONS**  
**1988=100**

<b>YEAR</b>	<b>\$M (Real)</b>	<b>% Change</b>
1987	329	15.6
1988	379	15.2
1989(est.)	419	10.6
1990(est.)	459	9.5

**2. PER CAPITA REAL GDP**

<b>YEAR</b>	<b>Real GDP(\$M)</b>	<b>Population</b>	<b>Per Capita</b>	<b>% Change</b>
1987		329	22.4	\$ 14.7
1988		379	24.0	15.8
1989(est.)		419	25.8	16.2
1990(est.)		459	N.A.	N.A.

**3. TOURISTS' DEMAND FOR HOLIDAY VACATION**

**Stay-over Visitor Arrivals**

<b>YEAR</b>	<b>TOTAL ARRIVALS (THOUSANDS)</b>	<b>% CHANGE</b>
1987	209.0	25.8
1988	218.7	4.6
1989	209.8	-4.1
1990(Proj.)	235.3	12.2

**Gross Visitor Expenditure**

<b>YEAR</b>	<b>TOTAL SPENDING</b>	<b>% CHANGE</b>
1987	117.0	49.0
1988	143.0	22.0
1989	144.0	0.7
1990	N.A.	-

**Gross Stay-over Visitor Spending**

<b>YEAR</b>	<b>TOTAL (C\$M)</b>	<b>% CHANGE</b>
1987	86.0	9.5
1988	134.0	55.8
1989	130.0	-3.0
1990	N.A.	-

**Stay-over Visitors Per Person Spending**

<b>YEAR</b>	<b>C\$% Change</b>	
1987	464.0	-
1988	535.0	15.3

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1989	510.0	-4.7
1990	N.A.	N.A.

**Average Length of Stay (nights)**

YEAR	Nights	% Change
1987	7.14	-
1988	6.25	-12.5
1989	6.63	6.1
1990	N.A.	-

**Occupancy Rates**

YEAR	Hotels	Apt/Condo	Average	% Change
1987	61.9 %	54.5 %	58.2	-
1988	68.2	53.7	61.0	4.8
1989	67.2	51.7	59.0	-3.3
1990	N.A.	N.A.	-	-

**Employment**

Year	Hotels	Apt/Condo	Total	% Change
1987	1,079	249 1,328	-	
1988	1,167	255 1,422	7.1	
1989	1,150	263 1,413	-0.6	
1990	N.A.	N.A.	N.A.	-

**WORK PERMITS****Work Permits Issued During the Year and Held at the End of the Year.**

YEAR	No. Issued During Year	%At Year Change	No. Held % End	Net New Work Permits Change	% Issued	Change
1986	4,502	-	3,724	-	94	-
1987	4,645	3.2%	5,152	38.0%	1,428	1,419%
1988	6,114	31.6%	6,708	30.2%	1,556	9.0%
1989	6,051	-0.1%	8,842	31.0%	2,134	37.1%
1990	N.A.		N.A.	N.A.		

**BUILDING CONSTRUCTION INVESTMENT SPENDING**

YEAR	Overall	% Change
1986	\$ 68,713,000	-
1987	83,509,000	21.5
1988	131,336,000	57.3
1989	146,345,000	11.4

1990 (June) 95,066,000 -

**BUILDING CONSTRUCTION INVESTMENTS SPENDING BY SECTOR  
C1\$M**

YEAR	Resident	% Change	Apts/Condo	% Change	Hotels	Change	%
1986	21,934	-	20,715	-	3,531	-	-
1987	29,459	34.3	35,097	69.4	573	-	-83.8
1988	31,920	8.4	42,303	20.5	28,050	4,795.3	
1989	37,924	18.8	55,165	30.4	13,413	-52.2	
1990	N.A.	-	N.A.	-	N.A.	-	

YEAR	% Comm.	% Change	% Industry	% Change	Govt.	Change	Others	Change
1986	16.7	-	1.7	-	3.3	-	.853	-
1987	8.2	-50.7	4.6172.7	2.3	-29.8	3.3	281.7	
1988	14.7	79.0	1.5	-67.7	11.4	386.4	1.5	-54.6
1989	31.8	116.2	3.8	160.3	1.7	-85.4	2.6	74.0
1990	N.A.	-	N.A.	-	N.A.	-	N.A.	

**INDUSTRIAL ACTIVITY**

**Capital and Intermediate Goods Imports (C1\$M)**

YEAR	Capital Goods	% Change	Intermediate Goods	% Change
1986	15.1	-	40.9	-
1987	25.9	71.5	43.8	7.1
1988	28.3	9.3	51.0	16.4
1989	28.0	-1.1	63.1	23.7
1990	N.A.	-	N.A.	-

**CAPITAL AND INTERMEDIATE GOODS AS % OF TOTAL IMPORTS.**

YEAR	Total Imports (C1\$M)	Total Capital & Intermediate	% Change
1986	134.0	56.0	41.8
1987	162.6	69.7	42.9
1988	192.6	79.3	41.2
1989	215.7	91.1	42.2
1990	N.A.	N.A.	-

**CONSUMER GOODS IMPORTS AS % OF TOTAL IMPORTS.**

YEAR	Total Imports (C1\$M)	Total Consumer Goods Import(C1\$M)	% Change
1986	134.0	77.9	58.2
1987	162.6	92.9	57.1
1988	192.6	113.2	58.8

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1989	215.6		124.6	
1990	N.A.	N.A.	-	57.8

## FINANCE

## Gross Private Savings

YEAR	CI\$M	% Change
1986	19,679	-
1987	25,229	28.2
1988	33,445	32.6
1989	36,652	9.5
1990	N.A.	-

## Consumer Credit

YEAR	CI\$M	% Change
1986	59,565	-
1987	119,211	100.1
1988	145,202	21.8
1989	173,253	19.3
1990	N.A.	-

## Private Household Expenditure

YEAR	CI\$M	% CHANGE
1986	181	-
1987	202	11.6
1988	236	16.8
1989	247 (est. adj. for inflation)	4.7
1990	N.A.	-

## INFLATION, INTEREST RATE AND PRIVATE SAVINGS

## a) Inflation

Year	Inflation Rate
1986	2.8
1987	4.3
1988	5.2
1989	6.0
1990 (June)	6.9

## b) Interest Rates: Average for 12 Months Period

Year	Savings Deposit	Fixed Deposit (12 mths)	CI\$ Prime Rate
1986	N.A.	N.A.	N.A.
1987	5.1%	7.3 %	8.5 %
1988	5.3	7.3	9.0
1989	6.1	7.9	10.0
1990	N.A.	-	N.A.

## c) Savings (CI\$M)

Year	CI\$M	% Change
1986	19,679	-

1987

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25,229		28.2
1988	33,445	32.6
1989	36,652	9.6
1990	N.A.	-

**NOMINAL CI CURRENCY IN CIRCULATION: YEAR-END BALANCE**  
Millions of Dollars

YEAR	Notes	Coins	Total	% Change
1986	11.72	1.34	13.06	-
1987	14.28	1.56	15.84	21.3
1988	16.75	1.81	18.56	17.2
1989	19.09	2.05	21.14	13.9
1990(Aug.)	17.58	2.23	19.81	-6.3

**NEW CI\$ NOTES ISSUED**

YEAR	Notes	Coins	Total	% Change
1986	2.85M	-	-	-
1987	7.38	-	-	158.9
1988	8.21	-	-	11.2
1989	6.14	-	-	-25.2
1990	N.A.	-	-	-

**ACTUAL AMOUNT OF CI\$ CURRENCY IN CIRCULATION (MILLIONS)**

YEAR	Old Notes Issued	New Notes	Coins
1986	11.72	2.85	1.34
1987	14.28	7.38	1.56
1988	16.75	8.21	1.81
1989	19.09	6.14	2.05
1990 (Aug.)	17.58	N.A.	2.23

**THE DEMAND FOR CI MONEY**  
(Millions of Dollars)

Year	Nominal Value	(Average Price Level)	Real Value	% Change
1986	13.06	105.2	12.4	-
1987	15.84	109.8	14.4	16.1
1988	18.56	114.9	16.2	12.5
1989	21.14	122.3	17.3	6.8
1990(Aug.)	19.81	129.3	-11.6	

**POPULATION AND LABOUR FORCE, 1989**

1. Population (Thousands)

YEAR	Total	Caymanian	Immigrant
1987	23.3	15.9	7.4
1988	24.7	16.4	8.3
1989	25.4	17.0	8.4



## 2. Labour Force (Thousands)

YEAR	Total	Male	Female
1987	12,900	N.A.	N.A.
1988	14,100	N.A.	N.A.
1989	15,846	8,333	7,513
1990	N.A.	N.A.	

## 3. Population 15 Years and Older

YEAR	Total
1987	N.A.
1988	N.A.
1989	19,597
1990	N.A.

## 4. 1989 CENSUS BREAKDOWN OF LABOUR FORCE

	Total Labour Force	Total Employed	Total Unemployed	Total Rate	Unemployment
<b>CAYMAN ISLANDS</b>	15,846	14,859	987		6.23 %
Grand Cayman	14,994	14,067	927		6.18
Sister Islands (Combined)	852	792	60		7.16
<b>ELECTORAL DISTRICTS</b>					
George Town	8,326	7,860	466		5.60
West Bay	3,513	3,272	241		6.86
Bodden Town	2,011	1,901	110		5.47
Cayman Brac	825	764	60		7.39
East End	648	578	70		10.80
North Side	496	457	39		7.86
Little Cayman	27	27	0		0.00
<b>TOTAL</b>	15,846	14,859	987		-

5. MALE AND FEMALE LABOUR FORCE COMPARATIVE DATA  
1989 CENSUS

	Total Labour Force		Total Employed		Total Unemployed		Unemployment Rate	
	Male	Female	Male	Female	Male	Female	Male	Female
<b>CAYMAN ISLANDS</b>	8,333	7,513	7,873	6,986	460	527	5.52	7.01
Grand Cayman	7,867	7,127	7,443	6,625	424	502	5.39	7.04
Sister Islands	466	386	430	361	36	25	7.73	6.48
<b>ELECTORAL DISTRICTS</b>								
George Town	4,425	3,901	4,237	3,623	188	278	4.25	7.13
West Bay	1,813	1,700	1,683	1,589	130	111	7.17	6.53
Bodden Town	1,022	989	959	942	63	47	6.16	4.75
Cayman Brac	447	378	411	353	36	25	8.05	6.61
East End	334	314	311	267	23	47	6.89	14.97
North Side	273	223	253	204	20	19	7.33	8.52
Little Cayman	19	8	19	8	0	0	0.00	0.00
<b>TOTAL</b>	8,333	7,513	7,873	6,986	460	527	-	--

% Total Labour Force: 53.0 47.0

Population 15 YRS & UP: 9,472 10,125

Labour Force Participation rate: 88.0% 74%

### FINANCIAL MARKET CONFIDENCE STATISTICAL INDICATORS

#### 1. Banking and Trust Licenses

YEAR	"A" Licenses	"B" Licenses	Total	% Change
1985	31	450	481	-
1986	30	468	498	3.5
1987	32	476	508	2.0
1988	35	492	527	3.7
1989	35	503	538	2.1
1990(Aug.)	N.A.	N.A.	537	-

#### 2. EXTERNAL ASSETS AND LIABILITIES (US\$ BILLIONS) HELD BY ALL BANKS

YEAR	Assets	% Change	Liabilities	% Change
1985	175.6	-	172.6	-
1986	202.2 15.1	193.3	12.0	
1987	249.9 23.6	243.2	25.8	
1988	300.0 20.0	246.0	1.2	
1989	359.7 19.7	348.6	41.7	
1990	N.A.		N.A.	

#### 3. ASSETS AND LIABILITIES HELD BY CATEGORY "A" BANKS AND TRUST COMPANIES WITH LOCAL CURRENCY ASSETS (CIS\$M)

YEAR	Assets	(1) % Change	(2) Liabilities	% Change
1985	112.6	-	91.5	-
1986	156.5	39.0	119.5	30.6
1987	181.4	15.9	137.1	14.7
1988	221.8	22.3	161.6	17.9
1989	258.9	16.7	186.4	15.3
1990	N.A.		N.A.	

### BUSINESS CONFIDENCE: STATISTICAL INDICATORS

#### 1. Company Registrations

YEAR	New Registrations	Total Change	% Registrations	Change
1985	2,017	-	18,347	-
1986	2,065	2.4	16,791	-8.5
1987	2,432	17.8	16,821	0.2
1988	3,012	23.8	18,263	8.2
1989	3,221	6.9	20,013	9.6
1990 (Jan-Aug)	2,760	-	22,368	11.8

#### 2. BUSINESS INVESTMENT BORROWING (CIS\$ MILLION)

YEAR	Total	% Change
1985	178.6	-
1986	188.9	5.8
1987	160.6	-15.0
1988	196.2	22.2
1989	252.3	28.6
1990	N.A.	N.A.

### 3. EMPLOYMENT IN THE BANKING SECTOR

YEAR	Total	% Change	Caymanian	% Change	Non-Caymanians	% Change
1985	890	-	684	-	206	-
1986	967	8.7	758	10.8	209	1.5
1987	1,025	6.0	779	2.8	246	17.7
1988	1,104	7.7	851	9.2	253	2.8
1989	1,251	13.3	971	14.1	280	10.7
1990	N.A.		N.A.		N.A.	-

### ECONOMIC GROWTH PROJECTIONS, 1991, 1992

#### 1. Baseline Projections

	Year 1 1991 (%) (%)	Ave. Year 2 1992 (%)	Growth 91/92
1. Nominal GDP	4.8	4.5	5.0
2. Inflation	7.9	7.2	7.6
3. Stay-over visitors	6.1	5.4	5.8
4. Overall Import Demand	6.5	6.1	3.0
5. Consumer goods import demand	9.5	8.7	9.1
6. Capital goods import demand	13.8	12.1	13.0
7. Intermediate goods import demand	9.8	8.9	9.3
8. Industrial activity	11.2	10.1	10.6
9. Overall domestic demand	4.4	4.2	4.3
10. Private consumption spending	4.5	4.3	4.4
11. Investment spending	4.8	4.3	4.6

#### 2. Pessimistic Projections

	Year 1 1991 (%) (%)	Year 2 1992 (%)	Growth 91/92 (%)	Avg.
1. Nominal GDP	1.7		0.6	1.2
2. Inflation	9.5		10.1	9.8
3. Stay-over visitor arrivals	-1.0		3.0	2.0
4. Overall import demand	-9.3		0.4	-4.5
5. Consumer goods import demand	5.2		2.2	3.7
6. Capital goods import demand	-8.9		-10.8	-9.8
7. Intermediate goods import demand	3.6		8.4	6.0
8. Industrial activity	0.9		-1.9	-0.5
9. Overall domestic demand	1.8		1.4	1.6
10. Private consumption spending	1.8		1.4	1.6
11. Investment spending	8.6		-2.8	5.8

## 3. Optimistic Projections

	Year 1 1991 (%)	Year 2 1992 (%)	Growth 1992/91 (%)	Avg.
1. Nominal GDP	7.3		7.4	7.3
2. Inflation	5.0		4.7	4.9
3. Stay-over visitor arrivals	10.5		10.6	10.5
4. Overall import demand	17.0		17.4	17.2
5. Consumer goods import demand	14.1		14.1	14.1
6. Capital goods import demand	15.2		15.2	15.2
7. Intermediate goods import demand	14.5		14.5	14.5
8. Industrial activity	19.1		19.1	19.1
9. Overall domestic demand	6.4		6.3	6.4
10. Private consumption spending	6.6		6.6	6.6
11. Investment spending	6.8		6.8	6.8

## ECONOMIC PROSPECTS IN INDUSTRIAL COUNTRIES FOR 1991

COUNTRIES	Real GNP/GDP (% Increase)		Inflation * (%)	
	1989	1991	1989	1991
U.S.A.	2.5	1.7	4.1	4.2
Japan	4.9	3.7	1.5	2.1
West Germany	3.9	3.3	2.6	3.6
France	3.6	3.0	3.5	3.2
Italy	3.2	2.7	6.3	5.7
Britain	2.2	1.3	6.9	5.7
Canada	3.0	1.1	4.9	5.1
<b>ALL COUNTRIES</b>	<b>3.4</b>	<b>2.4</b>	<b>3.9</b>	<b>4.0</b>

\* GDP deflator

Source: Adapted from IMF forecasts, 1990.

**WEDNESDAY  
14 NOVEMBER, 1990  
10:14 A.M.**

**MR. PRESIDENT:** Prayers by the Honourable Second Official Member.

**PRAYERS**

**HON. RICHARD W. GROUND:**

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 we may be enabled faithfully to perform the responsible duties of our 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 the light of His countenance upon us and give us peace now and always. Amen.

**MR. PRESIDENT:** Proceedings of the House are resumed. We have apologies for absence from the Honourable First Official Member, the Elected Member for East End and the Third Elected Member for West Bay.

**ADMINISTRATION OF OATHS**

Hon. Woodward Terry

**MR. PRESIDENT:** In regard to item 2 of the Order Paper today, the Acting Financial Secretary, Mr. Woodward Terry, took the oaths of Due Execution of Office and of Allegiance as a temporary Member of Executive Council and of the Legislative Assembly yesterday afternoon. Papers, the Honourable Member for Tourism.

**PRESENTATION OF PAPERS AND OF REPORTS**

**ANNUAL REPORT - CAYMAN AIRWAYS LIMITED FOR THE YEAR ENDED 30 JUNE 1990  
-AND-  
THE FINANCIAL STATEMENTS OF CAYMAN AIRWAYS LIMITED  
FOR THE YEAR ENDED 30 JUNE 1990**

**HON. W. NORMAN BODDEN:** Mr. President, I beg to lay on the Table of this Honourable House the Audited Financial Statements and Annual Report of Cayman Airways Limited for the year ended June 30th 1990.

**MR. PRESIDENT:** So ordered.

**HON. W. NORMAN BODDEN:** Mr. President, the notes to the Financial Statements, the Chairman's Message, and other information contained in both these documents, present a clear and factual record of the National airline's operations during the past fiscal year.

To merely mention that this has been an eventful year for Cayman Airways Limited would indeed be an understatement. It is well known that the company has passed through trying times and encountered many a dark cloud which, of course, has never been unusual, for, like many other carriers in the region, and, indeed, around the world, the struggle for survival is no stranger to Cayman

Airways. Nevertheless, it is fair to say that while the past year has perhaps been one of its most difficult, it is also true to state that because of these tests and experiences the Government, the management and staff of the airline, and the majority of the travelling public, have together become a much stronger team with a renewed determination to keep Cayman Airways flying.

While there have been many problems during the year, there were also many accomplishments. There was the change of aircraft from the old faithful Boeing 727 to the sleek brand new and highly reliable Boeing 737-400; a phasing-out and implementation programme conducted with an efficiency that would be the envy of many major carriers, a sound business decision that accounted for the company completing the year with a net profit of \$7.1 million in spite of an operating loss of US\$956,675. As will be seen, this has also enabled the company to reduce its accumulated deficit from \$19.7 million to approximately \$12.6 million.

Additionally, there was the opening of new non-stop service to New York (a major market which has contributed handsomely to the year's total operating revenues and the continuing orderly development of our tourism industry), plus the introduction of daily (except Tuesdays) jet service to Cayman Brac for the very first time. This brought much improvement to the service as well as improvement in service to Little Cayman through an arrangement with Island Air.

Another favourable development was the transfer of the majority of maintenance service from Miami to Grand Cayman where it is now being performed by a majority of trained Caymanian technicians. This, combined with the low maintenance on the new 737-400, represents an almost 50 per cent reduction in maintenance cost this year.

As the accounts will indicate, Cayman Airways' revenue earnings, including Government subsidy, was \$40.9 million, just slightly higher than 1989 when it was competing with only two airlines instead of four. Its operating expenses totalled US\$ 41.9 million, thus creating the operating loss which I mentioned earlier. There can be no doubt that the severe impact of strong competition created by two major United States' airlines entering the Miami/Cayman market almost simultaneously accounts for this and is evidenced by the National airline's operating results. This development provided excess capacity, swamping Cayman Airways' main route with service before new business could in fact be generated. Cayman Airways' interline feed from these United States' carriers at Miami just about dried up, immediately reducing load factors and market share from the high levels enjoyed in the previous year of 1989.

All of this coupled with the sudden influx of cut-rate fares from the United States threatened and, in fact, almost crippled the National airline. One of the immediate measures taken was an increase in frequencies in order to improve its competitive strength. This naturally increased substantially the flying operation expenses which also includes aircraft rental. But this action was seen as one way for Cayman Airways to defend its market share. The fact is that the company now has to spend more and work harder to produce similar earnings to that of the previous year, 1989.

This is all a matter of record, but in conclusion I must say that the fact that an airline the size of Cayman Airways, with such limited resources, has been able to compete against three giant airlines and now maintains a fair market share, provides the high quality and standard of service offered the travelling public and contains its losses to a comparatively small level by industrial standards, stands as a tribute to the staff of Cayman Airways who made many sacrifices and displayed exemplary cooperation during this difficult period; to capable management and good directions from the Board of Directors and also strong support from the United Kingdom's Department of Transport which recognised the need to regulate and control air services between the United States and the Cayman Islands so that a little struggling airline like Cayman Airways is not gobbled up by the giants.

I must also take this opportunity to express my sincere thanks and appreciation to all these agencies and individuals involved, but especially to the Chairman of the Board of Cayman Airways, Mr. Neil Cruickshank, for all the support in guiding the National airline through a difficult period and a challenging stage in its development. Because of these many factors, including the substantial increase in tourist air arrivals, some improvements were experienced in the second half of this financial year, that is, from January to June 1990.

Undoubtedly the battle is still on, competition is still strong and fierce and Cayman Airways' success (and, indeed, survival) will continue to depend heavily on the same type of dedication and cooperation by the same parties that have created some light at the end of the tunnel for Cayman Airways. I can only ask at this junction for the continued support of all Members of this Honourable House and the travelling public.

Thank you.

**MR. PRESIDENT:**

Papers, the Honourable Third Official Member.

#### THE CINEMATOGRAF (AMENDMENT) RULES, 1990

**HON. J. LEMUEL HURLSTON:**

Mr. President, I beg to lay on the Table of this Honourable House the Cinematograph (Amendment) Rules, 1990.

**MR. PRESIDENT:**

So ordered.

**HON. J. LEMUEL HURLSTON:**

Mr. President, I propose to speak briefly to these rules in the context of Government Motion No. 10/90, which appears on the Order Paper under Government Business.

## QUESTIONS TO HONOURABLE MEMBERS

**MR. PRESIDENT:**  
Town.

Questions. Number 143. The First Elected Member for Bodden

### THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT RECREATION AND CULTURE

**NO. 143:** Can the Honourable Member say if Government has assessed the feasibility of setting up an early intervention programme to deal with school age children who suffer from problems of dysfunction?

**ANSWER:** The term "Early Intervention" refers to programmes for children from birth to school age (i.e. infants and pre-schoolers). Such services have been in place since 1984. They are provided by home based teachers, speech therapists or special education teachers.

The major objective of the Early Intervention Programme is to facilitate development and learning in young children who have been determined to have a disability. When children with these disabilities reach school age they are sent on to the Lighthouse School which provides relevant programmes to suit their needs. If, after following the Lighthouse School programme, these students are assessed as capable of functioning in a normal school setting they are transferred and, while main-streamed, they continue to be assisted by specialist staff.

Strictly speaking, programmes of this nature in place for school aged children are more properly described as remediation. These are in place at all levels of the education system. At Primary, Middle and High Schools, it is the duty of every classroom teacher to monitor all students closely with a view to detecting any form of dysfunction. Such students are referred to the school counsellor, the educational psychologist and other outside agencies for assessment, support and guidance.

Testing and remedial help are provided by the Special Education Departments of all schools for those children who perform below the required academic standard.

A "Support Unit" was recently established for behaviour disordered students. It provides individual instruction, counselling, psychological assessment and maintains parental links.

### SUPPLEMENTARIES

**MR. ROY BODDEN:**

Thank you, Mr. President.

for remedial help in any given year?

I would like to ask how many children on average are referred

**HON. BENSON O. EBANKS:**

Mr. President, I am afraid I do not have the answer to that question here. It arises from another question, and I unfortunately do not have that information.

**MR. PRESIDENT:**

I take that to mean...

**HON. BENSON O. EBANKS:**

I would be glad to provide it to the Members.

**MR. PRESIDENT:**

It will come up in a later question.

**HON. BENSON O. EBANKS:**

Yes, Sir, but even if it does not, in this particular context I will undertake to supply information to the Members.

Yes, Sir, but even if it does not, in this particular context I will

**MR. PRESIDENT:**

Thank you. There appears to be no further supplementaries. The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:**

Mr. President, would the Member say how many teachers he has to specifically deal with the programmes for the school age children, including the psychologist. How many of those?

Mr. President, would the Member say how many teachers he

**HON. BENSON O. EBANKS:**

Mr. President, as said in the answer, every classroom teacher is obliged to monitor all students. Apart from the Department based specialist teachers, there are many out in the schools and I am afraid I do not have any specific number categorised as Special Education teachers.

Mr. President, as said in the answer, every classroom teacher is

**MR. PRESIDENT:**

Supplementaries.

**MR. ROY BODDEN:** Thank you, Mr. President.  
Is the Member then saying that the teachers who deal with Special Education cases in themselves have no special preparation other than their normal teacher training?

**HON. BENSON O. EBANKS:** No, Mr. President, I am not saying that. We certainly have teachers who are specially trained in Special Education.

**MR. TRUMAN M. BODDEN:** Mr. President, would the Member say in relation to the penultimate paragraph of his answer which deals with testing and remedial help, how many teachers are involved in that specialist area?

**HON. BENSON O. EBANKS:** Mr. President, it depends on the case, but usually it is the psychologist, the counsellor, and the classroom teacher.

**MR. PRESIDENT:** The next question please, number 144. the First Elected Member for Bodden Town.

**THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT RECREATION AND CULTURE**

**NO. 144:** Would the Honourable Member say whether the Government has any programmes in place to help children who are: 1) emotionally disturbed; 2) educable mentally handicapped; 3) hearing impaired; or 4) educable physically handicapped?

**ANSWER:** 1) Pupils with emotional/behavioural disorders are, in most cases, main-streamed in ordinary schools. The alternative education programme is currently being implemented to facilitate all children with severe behavioural disorders within the system.

2) The Government does have programmes in place for educable mentally handicapped, hearing impaired and educable physically handicapped. There are programmes for the educable mentally handicapped at the Lighthouse School (special school) and some of these pupils are main-streamed in regular classes at Primary Schools with support or placed in specific programmes at Middle and High Schools.

3) Since 1973 there has been a unit for the hearing impaired at the George Town Primary School. Since 1988 there has been a unit for the visually impaired at the George Town Primary School.

4) Some educable physically handicapped pupils have received their initial education at the Lighthouse School. Others, such as the visually impaired, have received their tuition at the unit for the visually impaired at the George Town Primary School. Several of these pupils have been main-streamed at the Middle and High Schools.

**SUPPLEMENTARIES**

**MR. PRESIDENT:** Supplementaries. The First Elected Member for Bodden Town.

**MR. ROY BODDEN:** Thank you, Mr. President.  
I wonder if the Honourable Member could say specifically when the Alternative Education Programme concerning the emotionally disturbed children is slated to come on stream?

**HON. BENSON O. EBANKS:** Mr. President, there has been, shall I say, an element of this system operational from the last school term. There is to be a special unit in a special building, the preliminary work such as change of use with Planning is being undertaken at the moment.

**MR. ROY BODDEN:** Thank you, Mr. President.  
May I ask the Honourable Member how many students are currently enrolled in this programme and what is the anticipated enrollment, once the programme becomes fully functional?

**HON. BENSON O. EBANKS:** Mr. President, that is going a bit far afield, but the 1989 to 1990 academic year revealed that there are 12 emotionally disturbed students. My belief is that there are six students involved in the programme. I do not know whether the other six are disturbed to the extent that they would have normally been sent there in any event.

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Mr. President, I would like to ask the Member whether he makes



these facilities available to the Private Schools and their students or whether it is limited to Government School students?

**HON. BENSON O. EBANKS:** Mr. President, it is my experience that Government gets all of these children.

**MR. TRUMAN M. BODDEN:** Mr. President, could I ask then, assuming that there may be a need for these facilities by Private Schools, would they be available as have courses and different programmes that were done by the Government Education Department in the past?

**MR. PRESIDENT:** We will take that as a question of principle not a hypothetical question.

**HON. BENSON O. EBANKS:** Yes, Mr. President, certainly the Private Schools have the use of the Clinical Psychologist and all support staff of the Department.

**MR. PRESIDENT:** The First Elected Member for Cayman Brac and Little Cayman.

**CAPT. MABRY S. KIRKCONNELL:** Thank you, Mr. President.  
Would the Member state how many students are in need of this special service or education in Cayman Brac, and how are they taken care of?

**HON. BENSON O. EBANKS:** Mr. President, to the best of my knowledge, only two such students have surfaced in Cayman Brac and we have made an attempt to deal with these on sight on a one to one basis. In the case of one student, this has not proved acceptable and he is awaiting placement in the residential home when he would be placed in the Cayman facility.

**MR. PRESIDENT:** Next question please. The First Elected Member for Bodden Town.

**THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT RECREATION AND CULTURE**

**NO. 145:** Would the Honourable Member say what is the number of hearing impaired children in the Government school's system and if the deaf unit is still operational?

**ANSWER:** There are seven hearing impaired children in the Government school system. Four of these attend the Hearing Impaired Unit at George Town Primary School and are main-streamed for some subjects. One student attends the Middle School and two students attend the High School.

The Hearing Impaired Unit, attached to the George Town Primary School, is still in operation servicing all hearing impaired children in the Government school system. Pupils attending the Cayman Islands Middle School and High Schools are more able and consequently require only part-time assistance in the form of servicing and maintenance of the equipment used by these pupils.

**SUPPLEMENTARY**

**MR. PRESIDENT:** Supplementaries, the Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** I would like to ask the Honourable Member, in the light of the chronic over-crowding at the George Town Primary School for the past two years, if he can say whether there is any over-crowding in this class?

**HON. BENSON O. EBANKS:** Not to my knowledge, Mr. President, and from the numbers I am sure we have had more there in the past.

**MR. PRESIDENT:** Question number 146, the Second Elected Member for Bodden Town.

**THE SECOND ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE**

**NO. 146:** Will the Honourable Member give detailed results for the recent GCSE examinations, excluding names but including subjects and grades?

**ANSWER:** To answer this question verbally would take an unduly long time. As an alternative to a verbal response, therefore, printed copies of the examination results have been attached hereto for the information of Members.

#### SUPPLEMENTARIES

**MR. G. HAIG BODDEN:** Mr. President, may I ask the Honourable Member if he will make an effort to have these results published in the newspaper as they have been done in the past?

**HON. BENSON O. EBANKS:** Mr. President, I am assured that these results have been forwarded to the paper. If it has not been published it is not the Department's nor the Portfolio's fault.

**MR. PRESIDENT:** I can see Honourable Member's difficulty with the very large volume of material accompanying the reply. Could I make a suggestion that perhaps in future, a Member wishing to get this sort of information might perhaps ask for it a week or two before the House meets and then put the questions arising from the material, because at the moment I can see the House cannot really manage to frame supplementaries faced with this volume of paper.

We move to the next question, Number 147, the Second Elected Member for Bodden Town.

#### THE SECOND ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE THIRD OFFICIAL MEMBER RESPONSIBLE FOR INTERNAL AND EXTERNAL AFFAIRS

**NO. 147:** Would the Honourable Member say if Government will undertake a survey of the office accommodations and lock-up facilities and equipment of the Royal Cayman Islands Police Force and inform the Members of the Legislative Assembly of the results?

**ANSWER:** Accommodation requirements, including plans to expand the facilities at Central Police Station, have been prepared. These requirements are incorporated in the Government's Five Year Plan. As a shorter term measure, deficiencies in the cell block complex had already been identified and the necessary remedial work is in hand. This work will be financed from a part of the supplementary budget of \$35,000 recently approved by Finance Committee.

The inadequacies of facilities at Central Police Station are recognised and accepted by Government and efforts to improve conditions are continuing.

#### SUPPLEMENTARIES

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** I would like to ask the Honourable Member what deficiencies he has found and what remedial work is in hand?

**HON. J. LEMUEL HURLSTON:** Mr. President, the remedial work in hand is work at converting some of the existing facilities that are used for storage of exhibits, for example, to provide an alternative store for those exhibits and using the space vacated for that purpose for additional cell-block accommodation. Additionally, further storage facilities are needed and these are being incorporated as part of this remedial work. Further, the existing cell-block complex is going to be renovated and upgraded to a higher standard than it is presently.

**MR. PRESIDENT:** The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Thank you, Mr. President.  
Would the Honourable Member say what are the accommodation requirements referred to that have been prepared and if the level of preparation is that the actual architectural plans or drawings are such that work could proceed on the facility?

**HON. J. LEMUEL HURLSTON:** Mr. President, the preliminary works have begun with the issuing of a request for architectural design drawings, which would then come in the first phase conceptually and in the second phase based on detailed briefing instructions would then go to the next stage of design drawings.

It is therefore at its preliminary first stage of conceptual design and that is being done with a view to going to the subsequent stages of detailed briefing. The general outline is for a general expansion of facilities with a view to accommodating certain offices which are now accommodated elsewhere with a view to trying to re-centralise some of the accommodations and also to provide for natural expansion and growth in the future.

**MR. TRUMAN M. BODDEN:** Mr. President, would the Honourable Member say what

category or type of prisoner is normally in the cell-block complex and specifically what extent of these suffer from mental illness generally?

**MR. PRESIDENT:** I think that is going beyond the original question. If you are prepared to answer it, please do.

**HON. J. LEMUEL HURLSTON:** Mr. President, the facilities at the lock-up are general facilities for all categories of persons who are arrested and detained for any purpose whatsoever. There are no cell-blocks designated, as such, for persons who are suffering mentally, as opposed to persons who are otherwise incarcerated in that lock-up. It is a general cell-block facility and anyone who is arrested and detained for any purpose whatsoever is accommodated in that general cell-block complex.

**MR. G. HAIG BODDEN:** Mr. President, may I ask the Member if there are any plans for upgrading the kitchen facilities?

**HON. J. LEMUEL HURLSTON:** Yes, Mr. President, those plans would be included in the overall Development Plan.

**MR. PRESIDENT:** Question No. 148 please, The Second Elected Member for Bodden Town.

**THE SECOND ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES**

**NO. 148:** Would the Honourable Member say when will the solid waste disposal unit become operational?

**ANSWER:** If the Member is referring to the medical waste incinerator, it is expected that this will become operational by the end of January, 1991.

**MR. PRESIDENT:** There appear to be no supplementaries. In that case the next question please. The Second Elected Member for Cayman Brac and Little Cayman, question number 149.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS, WORKS AND AGRICULTURE**

**NO. 149:** Would the Honourable Member say what is the organisational structure of the Public Works Department by function and staff?

**ANSWER:** The Public Works Department (PWD) in Grand Cayman is headed by the Chief Engineer and supported by an 'Executive Staff' who head the following sections:

(1) Executive Architect	Architectural
(2) Executive Engineer (Bldgs)	Building Construction
(3) Executive Engineer (Roads)	Roads
(4) Executive Quantity Surveyor	Quantity Surveying
(5) Executive Engineer (Electrical)	Electrical/Mechanical
(6) Senior Superintendent (Building Maintenance)	Building Maintenance
(7) Accountant	Accounts

These officers have the following responsibilities and functions:

(1) Chief Engineer, PWD - Overall responsibility for the day-to-day management and administration of the organisation, including liaising with the Portfolio (CW&A) and other Government departments, and for coordinating the work performed by PWD for other agencies of Government, as well as relationships with the public as it relates to PWD.

The Chief Engineer reports to the Principal Secretary (CW&A). The administration section employs nine monthly paid staff and two hourly paid staff.

(2) Executive Architect - The architectural section is responsible for the planning and design of all buildings required by the Government. This section employs eight monthly paid staff and three hourly paid staff.

(3) Executive Engineer (Buildings) - The building construction section is responsible for the construction and structural design of buildings and civil engineering works. This section employs four monthly paid staff and 12 hourly paid staff and workers.

(4) Executive Engineer (Roads) - The roads section is responsible for the design, construction and maintenance of all roads in Grand Cayman and facilities related thereto. This section employs 11 monthly paid staff and 75 hourly paid staff and workers.

(5) Executive Quantity Surveyor - The quantity surveying section is responsible for the cost estimation of new building projects, the inviting of tenders and the award of contracts; management of un-allocated stores and purchasing office; the preparation of annual budgetary requirements for works undertaken by PWD; overall project cost control and financial management of votes involving PWD and advising the Chief Engineer accordingly. The section employs six monthly paid staff and six hourly paid staff.

(6) Executive Engineer (Electrical) - The electrical/mechanical section is responsible for the design, installation and maintenance of all electrical and mechanical facilities in Government structures. This section employs four monthly paid staff and 10 hourly paid staff and workers.

(7) Senior Superintendent (Building Maintenance) - The building maintenance section is responsible for the maintenance of Government buildings and facilities, other than electrical and mechanical installations (unless such structures are the specific responsibility of another department or agency). This section employs four monthly paid staff and approximately 55 hourly paid staff and workers.

(8) Accountant - The accounts section is responsible for correct recording of the department's expenditures; processing suppliers invoices and contract payments to Treasury for payment; calculation and payment of wages to group employees (hourly paid staff). This section employs six monthly paid staff and one hourly paid staff.

#### SUSPENSION OF STANDING ORDER 23 (7) AND (8)

**HON. WOODWARD L. TERRY:** Mr. President, it now being 11 o'clock, I beg to move the suspension of Standing Order 23(7) and (8) to enable the remaining questions on the Order Paper to be taken.

**MR. PRESIDENT:** The question is that Standing Order 23 (7) and (8) be suspended.

**QUESTION PUT:**           **AGREED.       STANDING ORDER 23(7) AND (8) SUSPENDED.**

#### SUPPLEMENTARIES

**MR. PRESIDENT:** Supplementaries on question number 149. The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Mr. President, will the Honourable Member say if the persons in the posts as listed in the reply from (2) to (8) are all on the same level? Is that the hierarchical way that the Public Works Department is set up or are these persons all on the same level?

**HON. LINFORD A. PIERSON:** The answer is yes, Mr. President.

**MR. GILBERT A. McLEAN:** Mr. President, I am not sure what the Member answered yes to. Are they all on the same level or are we looking from a top to bottom situation?

**HON. LINFORD A. PIERSON:** Mr. President, on a line of command basis, these are all basically on the same level.

**MR. GILBERT A. McLEAN:** Could the Honourable Member say what is the relationship between the Public Works in Grand Cayman and that in Cayman Brac and how it fits in the line or chain of command?

**HON. LINFORD A. PIERSON:** Mr. President, the Chief Engineer's responsibilities for the day-to-day management in administration of the Public Works Department in Grand Cayman does not extend to the Public Works Department in Cayman Brac. The Chief Engineer plays no official role in prioritizing capital projects for Cayman Brac. The Chief Engineer, when requested by the authorities for Cayman Brac will offer whatever professional and technical advice and assistance he feels his own department in Grand Cayman is capable of offering. In the past, such advice or assistance has included the design of roads and buildings, assistance in material procurement, the inviting and awarding of contracts, project management of major buildings

and civil engineering projects, architectural and quantity surveying supervision of building projects.

**MR. GILBERT A. McLEAN:** Mr. President, would the Honourable Member say who supervises the Public Works in Cayman Brac and to whom they then answer?

**HON. LINFORD A. PIERSON:** The Public Works in Cayman Brac is supervised by the District Commissioner through the Superintendent of Works there. They then answer directly to the Honourable Administrative Secretary in Grand Cayman.

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Mr. President, in the paragraph numbered (4), it shows that the Executive Engineer of Roads is responsible for maintenance of roads. My question is whether anything is being done to increase the ability of this department to deal with maintaining the roads?

**MR. PRESIDENT:** I think that goes beyond the original question. If your question is perhaps, "Is the Member satisfied that there are sufficient staff in that section to carry out the work allocated to it?", that would be a permissible question arising.

**MR. TRUMAN M. BODDEN:** Is the Honourable Member satisfied that there is sufficient efficiency including number of staff to deal with all the road maintenance that is required?

**HON. LINFORD A. PIERSON:** Mr. President, one of our problems is one of finance but with the staff available, we are satisfied that the funds are being properly spent.

**MR. GILBERT A. McLEAN:** Mr. President, would the Honourable Member say if there is a deputy to the Chief Engineer, or an assistant? What is the situation, who acts in the absence of the Chief Engineer?

**HON. LINFORD A. PIERSON:** Mr. President, there is no post of Deputy Chief Engineer. The position of acting Chief Engineer/Officer in Charge, rotates between senior executive staff. In the past years, the Executive Engineer of Building, Executive Engineer of Electrical and Executive Quantity Surveyor have annually rotated the Officer in Charge position.

**MR. GILBERT A. McLEAN:** Would the Honourable Member say if it is not desirable or is it the policy of the Government to allow it to function this way or would it be better to have a proper chain of command, someone identified as a second position?

**MR. PRESIDENT:** I think the Honourable Member can only answer for the particular department, not the policy of the Government generally in regard to such a matter.

**MR. GILBERT A. McLEAN:** That was what I intended in the question, Mr. President.

**HON. LINFORD A. PIERSON:** The policy of rotating the top management staff in the Department has worked very well in the past, but this is not to say that the Portfolio and Department would rule out the possibility of having a position such as the Deputy Chief Engineer in place, but it has worked well in the past.

**MR. PRESIDENT:** Question No. 150 please. The Second Elected Member for Cayman Brac and Little Cayman.

#### **THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE THIRD OFFICIAL MEMBER RESPONSIBLE FOR INTERNAL AND EXTERNAL AFFAIRS**

**NO. 150:** Would the Honourable Member say when will the boat ramps in Cayman Brac, budgeted for 1990, be completed?

**ANSWER:** It is hoped to complete the boat ramps under reference by the end of December 1990, subject to weather conditions.

#### **SUPPLEMENTARIES**

**MR. GILBERT A. McLEAN:** Could the Honourable Member say if any work has started on any of the ramps as yet?

**HON. J. LEMUEL HURLSTON:** No, Mr. President, the works have not commenced, primarily because of delays in securing some blasting work which is a prerequisite to the commencement of the ramps themselves.

**MR. GILBERT A. McLEAN:** Could the Honourable Member say if any drawings have been

done as to how the ramps will be designed?

**HON. J. LEMUEL HURLSTON:** No, Mr. President, the necessity for drawings is not relevant in the case of a ramp. It would only be necessary in the case of docking facilities if they were to be part of the ramp project. But the ramp itself does not require detailed construction drawings.

**MR. GILBERT A. McLEAN:** Would the Honourable Member say if it is not the case that because of surge in currents in the Spot Bay area where the ramp is proposed, that it is necessary to have some kind of design there that would satisfy that particular aspect of things?

**HON. J. LEMUEL HURLSTON:** Yes, Mr. President, the Member is absolutely correct. In the case of the Spot Bay ramp, it is possible that some protection may have to be afforded to the currents that operate in that particular area. However, there are no drawings or plans to undertake that work as part of this ramp project at the moment. That is a substantial consideration which would require much more funding than is available in this particular project.

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Could the Honourable Member say whether there are other areas in Spot Bay where the ramp could be put to avoid the expense of dealing with the currents?

**HON. J. LEMUEL HURLSTON:** Yes, Mr. President, there are a number of possible alternative locations. These have been looked at but the most popular location, popular from the point of view of the community and the users, is the property that has been identified at the more expensive location.

**MR. PRESIDENT:** The next question is Number 151. The Second Elected Member for Cayman Brac and Little Cayman.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS, WORKS AND AGRICULTURE**

**NO. 151:** Would the Honourable Member say what is the present status of the proposed bulk storage of gasoline and diesel in Cayman Brac by Texaco?

**ANSWER:** Texaco submitted an application to the Development Control Board on 7th September 1990, for the construction of a fuel storage terminal on Cayman Brac. A decision on the application has been deferred until 3rd November 1990, during the scheduled monthly meeting of the Board.

Mr. President, this answer was prepared before I had certain information this morning. That information revealed that the application from Texaco for the storage terminal was heard by the Development Control Board yesterday and that Board refused the application.

**SUPPLEMENTARIES**

**MR. PRESIDENT:** Supplementaries. The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Mr. President, would the Honourable Member say if he has any knowledge of any alternative to this Bulk Storage situation other than the proposal by Texaco?

**HON. LINFORD A. PIERSON:** Mr. President, the answer to that question would initially be 'no' at this point in time, but I should clarify that by saying that there was another area that was suggested by the Development Control Board and this was recommended to Texaco, but on examination of this area, it was found that for various reasons this area was most unsuitable.

**MR. GILBERT A. McLEAN:** Mr. President, could the Honourable Member say if the refusal of this facility is on purely technical grounds or what is it and how is it that the Board is advocating another location? I thought the primary function was to decide on what was put before them in a yes or no answer or decision.

**HON. LINFORD A. PIERSON:** Mr. President, the refusal was made, I imagine (I have not seen the Report of the Board), but on a number of grounds. One had to deal with the objections received by the Development Control Board - there were some 23 objections, and this would have been the main objection of the Development Control Board. Their recommendation of an area in Bamboo Bay area was not suitable mainly because the waters around the area were too shallow and it would have cost Texaco some additional \$1 million to have been able to locate the facilities in that area. This was the main reason why Texaco could not entertain that

recommendation because as it is with the more preferred site, they are only making something like six per cent return on the capital employed on the project.

**MR. PRESIDENT:** First Elected Member for Cayman Brac and Little Cayman.

**CAPT. MABRY S. KIRKCONNELL:** Mr. President, I wonder if the Honourable Member would state the views of the Fire Chief on this project and if he would also confirm that the project was not turned down, it was a matter of the location, not the project.

**HON. LINFORD A. PIERSON:** Mr. President, that is a fairly wide question, I would like to answer that as thoroughly as possible, using the information from the Fire Chief and the justification given by Texaco which may avoid additional supplementaries being asked on this.

Yes, it was the recommendation of the Fire Chief that this was within fairly close proximity of a residential area, but against this background it has to be borne in mind that Cayman Brac and Little Cayman do not have zoning laws so there are no marked areas, no boundaries as such for residential as opposed to commercial. So in any area that the facility is purposed to be located, there could be objections, because in the area in Bamboo Bay which is the preferred area by the Board, there are residential developments within less than 1,500 feet of that particular area.

Justification given by the Texaco for this was quite comprehensive and this was sent to the Board just about a week ago so they were quite aware of the reasons why Texaco preferred to use that area. These justifications are as follows, Mr. President, which with your permission I would just like to basically go through these:-

1. Terminal location on Block 109 (b) parcel 79 is the preferred location based on evaluations of mooring and storage tank facility locations.
2. (This is the site that is preferred by Texaco and there were two sites the other one being the Bamboo Bay area recommended by the Development Control Board). The second justification given by Texaco is the Creek offers the best available mooring location as reviewed by Cayman Islands Port Authority's meeting on June 1 1990 at the Brac Administration Building. The Creek contains the necessary water depth near shore for tanker mooring and transfer of fuel cargoes. The Creek location is an existing mooring area and therefore shall not environmentally impact on disturbed or disturb other coastal waters. The proximity of parcel 79 & 7 (that is the two that were preferred by Texaco to the existing Port) ensures personnel are available and familiar with mooring practice and assistance without the need to fully investigate alternate mooring locations. Creek mooring location and fuel transfer shall utilise relatively short length of floating hose due to water depths near shore, risk associated with hose damage are minimised.
3. The third justification given by Texaco is relocation of the mooring to the Bamboo Bay area will result in a mooring berth further off-shore and require installation of permanent mooring buoys. Bamboo Bay mooring location shall impact the method of fuel transfer to on-shore storage tanks based on relatively shallow near-shore depth. Option one is the use of a long floating hose, hose string, resulting in risk of damage and subsequent environmental contamination. Option two (that is the preferred area by Texaco near to the Creek dock) requires installation of a sub-sea pipe-line and submarine hose similar to Grand Cayman's Jackson Point facility, a high cost impact. A new mooring location at Bamboo Bay or other sites shall impact water sports activities especially with the advent of Juniper Bay Road up-grade.
4. The fourth justification given by Texaco. Parcel 79, that is near the Creek, provides a location away from the sea for construction of a storage tank facility and this is most important, that the location is not on the water as in the Bamboo Bay area which is below sea-level in certain areas and would have to be built up at great cost. The topography of parcel 79 provides a natural barrier for facility protection. Furthermore all terminal construction should be a minimum distance of 500 feet from Creek Road except for an access drive. Further terminal expansions based on Cayman Brac requirements may be accomplished without acquisition of additional land.
5. Local topography of the Bamboo Bay block 104(b) land reflects a low elevation area which shall require considerable fill and related earth work for facility construction. Block 104(b) parcels with close proximity to the sea requires construction of substantial sea walls for protection of the entire storage facility. In efforts to further reduce impacts from the sea storage tanks shall be located relatively close to the public road.
6. Alternative locations of Texaco's facility as presented in the development application will impact over-all project economics and development costs with an increase of

approximately \$1 million. These added costs shall ultimately be borne by Cayman Brac consumers. Although storage facility on block 104(b) parcel 12 has previously received Brac Development Board approval, comparisons of cost and physical facilities are orders of magnitude difference. Alternative locations for terminal developments have been investigated by Texaco and local real estate agents with no expressed interest received. Knowledge of facility potential construction and operation has been public for a minimum six months. Relocation from Texaco's permits application site does not guarantee objections will not be received by the same or other people.

Safety considerations are paramount in any Texaco construction and operation activity. As stated previously Texaco shall adhere to Regulatory Council requirements in the design construction and operation of the Cayman Brac Storage and Marine Terminal. Although there is low risk at Bulk Storage Terminals fire protection at the facility design is provided in accordance with the National Fire Protection Association guidelines. This includes a containment structure around the tanks, dedicated fire water pump and piping loop around facility perimeter, critically located monitors and water deluge systems.

Concerns of residence on effects of fire at the facility have been addressed. Tanks shall be located a minimum distance of 50 feet from the nearest parcel boundary, tanks are located approximately 500 feet from the road and approximately 300 feet from the nearest existing structure.

Mr. President, these are the justifications. There are others, but I think I have covered some of the more important ones. It says here in closing, this was the letter sent by Texaco to the Development Control Board prior to their meeting yesterday. It says: "Based on Texaco's location, construction and operation of the facility as detailed in the development permit, the facility shall be a safe and environmentally sound terminal."

The Development and Control Board had this information before they made their decision yesterday.

**MR. GILBERT A. McLEAN:** Mr. President, would the Honourable Member say if in the process of the Fire Chief looking at this project, did he give or make certain recommendations as to safety standards that he wished to have implemented? Was Texaco aware of it and was the Board aware of it?

**HON. LINFORD A. PIERSON:** Yes, Mr. President. The Fire Chief did make certain recommendations and Texaco advised that they were quite prepared to comply with these recommendations. Just as the Fire Chief has done in Grand Cayman. I should point out that he is not particularly happy about the propane installation next to the High-school Or the Esso Station next to a residential area. He has made certain recommendations to us in this respect also. But he accepts that within the constraints there is not a lot that can be done in the circumstances to relieve that situation. But he has made certain recommendations and Texaco has agreed to comply with them.

**MR. GILBERT A. McLEAN:** Then would the Honourable Member say who comprised the Board that dealt with this application?

**MR. PRESIDENT:** I think that is a matter of public record.

**HON. LINFORD A. PIERSON:** I have the information.

**MR. PRESIDENT:** You have the information? Then, fine.

**MR. GILBERT A. McLEAN:** The members of the Development Control Board are District Commissioner, Mr. James Ryan as Chairman, Executive Secretary, Mr. Ernest Scott and members are Captain Mabry Kirkconnell, Mr. Guy Banks, Mr. Tory Tatum and Mr. Durl Grant.

**MR. GILBERT A. McLEAN:** Mr. President, would the Honourable Member say if there is open to the would-be developers the opportunity of appeal in this particular decision?

**HON. LINFORD A. PIERSON:** There is the process of appeal from any Planning decision whether it is the Central Planning Authority or the Development Control Board for the Sister Islands. But, Mr. President, in the circumstances I would have thought that this is a matter that has been very closely considered by members of the Development Control Board in Cayman Brac. But the answer would be, yes, this is subject to appeal to the Appeals Tribunal in Grand Cayman.

**MR. TRUMAN M. BODDEN:** Mr. President, because the lack of bulk storage of gasoline and diesel causes chronic shortages in Cayman Brac and Little Cayman at times, can the Member say whether he has an alternative plan to deal with these shortages?

**MR. PRESIDENT:** I think that goes well outside this question which has had a good airing.

The final question on today's Order Paper, the Third Elected Member for George Town.



**THE THIRD ELECTED MEMBER FOR GEORGE TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION ENVIRONMENT RECREATION AND CULTURE**

**NO. 152:** Would the Honourable Member say how are slow learners in the schools assisted and are there any plans for upgrading the remedial or other facilities in the schools?

**ANSWER:** Slow learners in the schools are supported by the Education Department, Special Education support staff, that is the Advisor, and the Assistant Advisor for special education, and the Education Psychologist.

Such pupils are main-streamed in regular classes. In the large Primary Schools resource persons provide teaching as well as additional support for classroom teachers specifically in language arts and mathematics. Reception teachers also give additional help in these subjects during the afternoon sessions.

In the small Primary Schools peripatetic service is given. Pupils may repeat a class - generally this is at the infant and junior 3 levels. In extreme cases other classes may be repeated if it is in the interest of the child.

Weaknesses and strengths are identified in pupils' learning, and strategies are developed based on the recommendations of the Advisor/Assistant Advisor special education, and psychologist as well as on teachers' observations and test results.

Pupils performance and programmes are constantly monitored by the education advisors for special education, language arts, mathematics and science. Periodically teachers of repeaters and other slow learners are brought together by the Education Department support staff to discuss performance, progress and problems and make recommendations for improvements. The schools also hold similar meetings.

At Middle and High School levels, slow learners receive their education in classes taught by special education teachers. They are continually tested and those who reach the required standard are put back into mainstream.

There are plans to establish an alternative education centre off the school compound for the length of children suffering from severe behavioral and or psychological problems.

**SUPPLEMENTARIES**

**MR. TRUMAN M. BODDEN:** Would the Honourable Member say when he expects the Alternative Education Centre to be operational?

**HON. BENSON O. EBANKS:** Mr. President, I answered that question already this morning, but for the benefit of the Member I said that a pilot project had been conducted during the last term of school, and that a building owned by Government has now been identified for some time, but it has now been made available to the Education Department and they are in the process of applying for Planning approval to establish the facility at that building.

**MR. TRUMAN M. BODDEN:** Could the Honourable Member say whether the education study carried out earlier by the panel of experts deals with this specific problem?

**HON. BENSON O. EBANKS:** Yes, Mr. President, that was one of the terms of reference.

**MR. PRESIDENT:** Proceedings are suspended for 15 minutes.

**AT 11:36 A.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 12 NOON**

**MR. PRESIDENT:** Proceedings are resumed. Government business, Bills, First Reading.

## GOVERNMENT BUSINESS

### BILLS

#### FIRST READINGS

##### THE NOTARIES PUBLIC (AMENDMENT) BILL, 1990

**CLERK:** The Notaries Public (Amendment) Bill, 1990

**MR. PRESIDENT:** A Bill entitled, The Notaries Public (Amendment) Bill, 1990, is deemed to have been read a first time and is set down for Second Reading.

##### THE FIREARMS (AMENDMENT) BILL, 1990

**CLERK:** The Firearms (Amendment) Bill, 1990.

**MR. PRESIDENT:** A Bill entitled, The Firearms (Amendment) Bill, 1990, is deemed to have been read a first time and is set down for Second Reading.  
Bills, Second Reading.

#### SECOND READINGS

##### THE NOTARIES PUBLIC (AMENDMENT) BILL, 1990

**CLERK:** The Notaries Public (Amendment) Bill, 1990.

**MR. PRESIDENT:** The Honourable Second Official Member.

**HON. RICHARD W. GROUND:** Mr. President, I beg to move the Second Reading of a very short Bill, entitled a Bill for a Law to Amend the Notaries Public Law, 1982.

Its purpose is set out quite clearly in the Memorandum of Objects and Reasons that, since the enactment of the Notaries Public Law in 1982, the fees laid down in that Law as payable on the admission of a person as a Notary and subsequently on annual renewals have not been increased. In other words, they have not been increased for the last eight years. Nor have the fees that Notaries themselves may charge to the public for their services been increased during the same period. As part of a general housekeeping exercise I have brought this short Bill to review those fees and it seeks to increase the fees for admission as a Notary and for annual renewal as a Notary by 50 per cent. In other words, the fee for admission goes up from \$100 to \$150 and the subsequent annual renewals go up from \$50 to \$75. I picked upon the figure of 50 per cent given the lapse of time since 1982, and I think in reality it does not keep up at all with inflation in that period.

The Bill also seeks to amend the fees that Notaries themselves may charge for the tasks that they perform. Those tasks are listed at length in the Fifth Schedule to the Law and by and large the increase is again 50 per cent. In some cases it is slightly more or slightly less, simply because we have rounded up to the nearest convenient figure. Thus to take an example, the witnessing of any document which used to be \$6 has now gone up to \$10. I know that 50 per cent would take it up to \$9, but \$10 is frankly a rounder and better figure and I think more convenient for everybody.

Mr. President, with those few words, I commend this short Bill to the House.

**MR. PRESIDENT:** The question is that a Bill entitled, The Notaries Public (Amendment) Bill, 1990, be given its Second Reading. The Motion is open for debate.

The Third Elected Member for George Town on the Second Reading of this Bill.

**MR. TRUMAN M. BODDEN:** Mr. President, this Bill as was mentioned by the Official Member earlier, basically deals with increases in the payments by Notaries to Government for practice, as well as the increasing of the maximum fees Notaries can charge.

Notaries like Justices of the Peace do a fair amount of work that they do not charge for and in effect I doubt very much if many of the duties that are listed in the Notaries Public Law now really ever come into practice except, perhaps occasionally, for those relating to ships. However, a lot of work is done in relation to certification of documents, land documents especially. I have no problem with this, only to say that I doubt very much that the increases are going to go very far towards the Government's present deficit problem.

Sir.

With that, I support the increase and would be thus voting for it,

**MR. PRESIDENT:**  
Member for Cayman Brac and Little Cayman.

Does any other Member wish to speak? The Second Elected

**MR. GILBERT A. McLEAN:**

Thank you, Mr. President.

I rise to support a Bill to amend the Notaries Public Law, and I certainly share the view of the Mover that it was time to review or up-date the Law both in terms of what one might charge as a fee as a Notary and, certainly, what could be charged by a notary for notarial acts.

I believe the figures are more within the realistic amounts for the time it takes to do what is required by a Notary - the entering in the book, the record that has to be kept and the placing of the Seal and all the rest of it. It does take some time out of a person's schedule or work day. I just wonder, in doing this, it is my understanding that only a Justice of the Peace can actually witness an affidavit and that a Notary Public cannot do that here. It is not recognised under the Law. In terms of the United States I am made to understand that most documents are witnessed before a Notary Public and often times there are requests from legal authorities in the United States to have a document notarised even though it may have been signed by a Justice of the Peace here. If that is the case, perhaps it might be possible to include at some point in time, whether at this stage, the Committee stage, or whatever, to include some section that would allow that to be.

Also, I wonder if there is any place for putting into this Law an oath, as persons are sometimes required to take an oath, and in Schedule 6... in fact in the Notarial Acts Books, the fifth column speaks of the name of the person whose signature has been verified or to whom oath was administered. I am wondering whether it would be appropriate to have an oath, as the legal persons might consider appropriate and sufficient to have that set down into this particular Law, so that Notary Publics could be guided by it.

before the House.

Having made those few observations, I would support this Bill

**MR. PRESIDENT:**

Would the Member in charge of the Bill wish to reply?

**HON. RICHARD W. GROUND:**

Yes, Mr. President, and I am very grateful to both Members who spoke for their support. I noted in particular what the Second Elected Member for Cayman Brac and Little Cayman said. The Law does at the moment provide for the administering of oaths when required by the law of a foreign country, that is, notarizing affidavits to go from here, say, to the United States. Of course, the form of the oath that will be taken in those circumstances is the form which that foreign country wants, not ours. So it is up to them to lay that out.

I think the Member is right when he says that affidavits for use here have to be sworn before a Justice rather than a Notary. That is very much a matter for the Courts I think, rather than for this Law. I would not like to take that point on board at short notice at the present, but I can say to him that we are conducting a thorough on-going revision of the Grand Court Rules at the moment and the Committee preparing the preliminary draft of that (a draft that will then go on to the Rules Committee) is recommending that Notaries be empowered to administer oaths for the purpose of affidavits for the Courts here because it is recognised that it is not always easy to find a Justice of the Peace. A Notary, particularly in downtown George Town where many of the banks, and so on, have them, is easier to find. So we have that point in mind, but we are approaching it not through this Law, but through the Grand Court Laws.

**MR. PRESIDENT:**  
Those in favour please say Aye...Those against No.

The question will now be put on the Second Reading of this Bill.

**QUESTION PUT:**

**AGREED.**

**THE NOTARIES PUBLIC (AMENDMENT) BILL, 1990, GIVEN A SECOND READING.**

**MR. PRESIDENT:**

Bills, Second Readings, continuing.

### **THE FIREARMS (AMENDMENT) BILL, 1990**

#### **DEFERRAL OF SECOND READING**

**HON. J. LEMUEL HURLSTON:**

Mr. President, I should have tried to catch your eye a bit sooner on the Fire Arms Amendment Bill which is set down for First and Second Readings on today's Order Paper. This Bill was not circulated to Honourable Members until 7th November and, in accordance with Standing Order 46(1), the Bill requires 14 days' notice. I should therefore be grateful if the House could allow this to be postponed until the requisite notice has been complied with.

Thank you, Sir.

**MR. PRESIDENT:**

The Bill stands deferred accordingly.

Perhaps a further word of explanation may be in order. I think an earlier version of this Bill was circulated to Members and this is a revised version which is now being talked about. No?

**MR. W. McKEEVA BUSH:**

Mr. President, looking at our Order Paper today, if we do not take this Bill we will be caught short. I am just thinking that maybe we could suspend (I believe we all had the white copy of the Bill) Standing Orders and carry on with it.

**MR. PRESIDENT:**

Were you meaning that the House will run out of Business? I do not think so, because there are several items under Other Business listed too, which can be taken.

**MR. W. McKEEVA BUSH:**

Yes, we did put down, for instance, some Private Members' Motions, hoping that we would not reach them today.

**MR. PRESIDENT:**

It is certainly no problem for the Chair if the House does wish to take this Bill. It is unusual, but if all Members are comfortable and think they have had enough time... could I have some indication from Members on that? Are you prepared to take the Second Reading of this Firearms Amendment Bill?

**MR. TRUMAN M. BODDEN:**

I am wondering whether it might not be better to let the Bill lie for a little while to give us an opportunity to speak to Government on one or two areas of it?

**MR. PRESIDENT:**

I think that we can take it that there is at least one Member who would prefer to wait, so we shall do that.

Firearms (Amendment) Bill, 1990.

In that case the House will now go into Committee on the

**MR. W. McKEEVA BUSH:**

Notaries.

**MR. PRESIDENT:**

I beg your pardon, the Notaries Public (Amendment) Bill. Thank you.

## COMMITTEE ON BILLS

### THE NOTARIES PUBLIC (AMENDMENT) BILL, 1990

**MR. CHAIRMAN:**

The House is now in Committee. With the leave of the House, may we assume that, as usual, we authorise the Honourable the Second Official Member to correct any minor printing error or such like in this Bill. Would the Clerk now state the Bill and read the Clauses?

**CLERK:** The Notaries Public (Amendment) Bill, 1990.

Clause 1 Short Title and Commencement.  
Clause 2 Amendment of Law No. 13, of 1982.

**MR. CHAIRMAN:**

The question is that Clauses 1 and 2 stand part of the Bill.

**QUESTION PUT:      AGREED.      CLAUSES 1 AND 2 PASSED.**

**CLERK:**

A Bill for a Law to Amend the Notaries Public Law, 1982.

**MR. CHAIRMAN:**

The question is that the title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

**QUESTION PUT:      AGREED.      THE TITLE PASSED.**

**MR. CHAIRMAN:**  
House will resume.

That concludes proceedings in Committee on this Bill. The

**HOUSE RESUMED**

**MR. PRESIDENT:**  
Honourable Second Official Member.

Proceedings of the House are resumed. Reports on Bills. The

## REPORTS ON BILLS

### THE NOTARIES PUBLIC (AMENDMENT) BILL, 1990

**HON. RICHARD W. GROUND:** Mr. President, I have to report that a Bill entitled, The Notaries Public (Amendment) Bill, 1990 has been considered by a Committee of the Whole House and passed without amendment.

**MR. PRESIDENT:** The Bill is accordingly set down for Third Reading.  
*[Addressing the Serjeant-at-Arms]* Thank you, I do not think that invalidates the proceedings, but thank you.

**HON. RICHARD W. GROUND:** I hope I do not have to repeat it.

**MR. PRESIDENT:** The Mace was temporarily not in place.

**HON. RICHARD W. GROUND:** Mr. President, then I will move on and move that the Notaries Public (Amendment) Bill, 1990 be given its Third Reading and do pass.

**MR. PRESIDENT:** I think that we have to suspend Standing Orders for that. So, I think we might leave that.

**HON. RICHARD W. GROUND:** You are absolutely right, Mr. President. I apologise.

**MR. PRESIDENT:** I think that is one mistake each, all around today.

**HON. RICHARD W. GROUND:** Sailing on without looking at the Order Paper.

## MOTIONS

### GOVERNMENT MOTION NO. 10/90 THE CINEMATOGRAPH LAW (CAP 18)

**MR. PRESIDENT:** We go now to Motions. Government Motion No. 10/90. The Honourable Third Official Member.

**HON. J. LEMUEL HURLSTON:** Mr. President, I beg to move Government Motion No. 10/90, entitled the Cinematograph Law (Chap. 18). The Motion reads:

"WHEREAS by section 8 of the Cinematograph Law it is provided that the Authority may, with the advice and consent of the Legislative Assembly, make such Rules as may be deemed expedient for the matters specified in the section:

AND WHEREAS pursuant to the said section a draft of the Cinematograph (Amendment) Rules, 1990 has been prepared and presented to this Honourable House for its advice and consent as to the making thereof:

BE IT RESOLVED that this Honourable House do advise and consent to the making of the said Cinematograph (Amendment) Rules, 1990."

**MR. PRESIDENT:** Government Motion No. 10/90, has been duly moved. Would the Mover wish to speak to it?

**HON. J. LEMUEL HURLSTON:** Mr. President, the Cinematographic Authority is comprised of myself as Chairman and four Members of the Legislature, one appointed by His Excellency the Governor and three appointed by election of the Assembly.

Serving Members are Honourable Linford Pierson, Honourable Ezzard Miller, Mr. McKeeva Bush and Mr. John McLean. The Authority has for sometime considered the need to upgrade the rules under which Cinemas are currently regulated and in so doing was conscious of the time since the rules were last previously up-dated. The rules were made originally in 1964, and the technology and standards of the industry and operation of Cinemas have altered substantially. In fact the current practices resemble very little of what the 1964 rules provided.

The Authority, therefore, Sir, embarked upon an exercise in

consultation with the Chief Fire Officer and others to ensure that minimum standards of regulations were put in place so as to enhance the efficient operation and protection of persons attending Cinemas. The recommendations contained in these rules are in compliance with the National Fire Protection guidelines of North America and they seek to address the necessary minimum safety standards, both as to fire, safety and other considerations.

The rules are self explanatory, they detail such things as the width of exit doors, standards of lighting, standards of fire fighting equipment, etcetera, and seek to ensure that operators of Cinemas do understand their obligations to their patrons as well as to the safety of their premises. I do not propose to go through the rules individually, as these have been copied and circulated to Members well in advance. I simply propose to invite Members to offer their consent as required for these rules with the hope that they will bring about reasonable safety standards for the protection of persons attending Cinemas. These rules are accordingly recommended to the House for its advice.

Thank you.

**MR. PRESIDENT:**

The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:**

Mr. President, I support this Motion. I think the amendments which have been made are needed. They deal mainly with safety and the fire protection of people within the cinema. The rules had been amended over the years, but this is one area which, while it existed in the old rules, has now been extended in some areas. My only concern, and I know this does not cover it, is what rules do we have covering theatres which are similar in many respects to cinemas? They also have large crowds within them as do other similar types of buildings. Perhaps the Member in due course could really see what applies and what needs to be done in that area.

With that, Sir, I support these. I think they are good. They obviously comply with the rules and the Fire Chief's views on this and I believe that the bringing into effect of these will be in the interest and for the safety of the public.

**MR. PRESIDENT:**  
to reply?

Does any other Member wish to speak? Would the Mover wish

**HON. J. LEMUEL HURLSTON:**

Mr. President, I would like to thank the Member for his contribution and to say that that in the case of theatres, while there are no rules expressly designed to regulate them as theatres, they are, in fact, covered under building regulations and it is perhaps in that area that they get best regulated. At one point it was considered whether in fact the Cinematographic Rules could not also be incorporated in building regulations, but it was felt that perhaps they ought to continue to be treated separately as they have been treated separately over the years.

In the case of other types of buildings, they are perhaps best regulated under normal building requirements. I believe, therefore, that theatres would be caught under the normal building regulations standards.

Thank you, Sir.

**MR. PRESIDENT:**

I shall put the question on Government Motion No. 10/90.

**QUESTION PUT:      AGREED.      GOVERNMENT MOTION NO. 10/90 PASSED.**

## **OTHER BUSINESS**

**MR. PRESIDENT:**

Item 6 on today's Order Paper, Private Members' Motions. Private Member's Motion No. 23/90, the First Elected Member for Bodden Town.

## **PRIVATE MEMBERS' MOTIONS**

### **PRIVATE MEMBER'S MOTION NO. 23/90 INVESTIGATION BY GOVERNMENT INTO THE FEASIBILITY OF ESTABLISHING SCHOOL-BUS SHELTERS AT CLEARLY DEMARCATED SCHOOL BUS STOPS**

**MR. ROY BODDEN:**

Thank you, Mr. President.

I would like to move Private Member's Motion No. 23/90, standing in my name, entitled, "Investigation by Government into the Feasibility of Establishing School Bus Shelters at Clearly Demarcated School Bus Stops." The Motion reads as follows:

"WHEREAS children dressed for school should be protected from the elements;

AND WHEREAS existing bus stops erected by the Service Clubs have proven to be useful in that they offer shelter from the elements and are well demarcated;

AND WHEREAS it is recognised that there is an insufficient number of these stops in areas used by school children;

BE IT THEREFORE RESOLVED THAT Government examine the feasibility of providing adequate bus stops shelters throughout the Island."

**MR. G. HAIG BODDEN:**

I second the Motion, Mr. President.

**MR. PRESIDENT:**

Private Member's Motion No. 23/90 has been duly moved and seconded. Would the Mover wish to speak to it?

**MR. ROY BODDEN:**

Thank you, Mr. President.

I am happy to report that this is a non-controversial issue, and I suppose we can infer from that that it will not take any amount of the time of this Honourable House. I would only like to say that I covered significant amounts of the Island during the times when children were taking buses and I noted several things. The first, and perhaps most significant as mentioned in the Motion, is that there were not enough sheltered demarcated places for these children to congregate. As a result of that I noticed that certain traffic hazards are created, and I am concerned that the children are not as safe as they should be from traffic, among other things. One area in particular in my constituency comes to my mind, and that is the area on the border between what we call Spotts/Newlands and George Town, where a significant number of children are gathering just at the beginning of a straight piece of road when the cars are exiting Savannah on the way to George Town and entering a 40 mile zone, they are likely to be accelerating.

I believe that this would be a good gesture on the part of the Government. It is certainly something which would not seem (at a cursory glance, anyway) to be too expensive and it may well be that the Service Clubs, having experienced a knowledge of this before, would agree to assist the Government if not to assume the responsibility themselves, once we have ascertained where these bus-stops would be.

I would suggest too that it seems the notion of public transportation in Cayman is slowly catching on. Perhaps the bus shelters erected by the Service Clubs (and I believe in the first instance were not exclusively for school children) could also serve members of the public taking the buses. I believe that this is worthwhile and I would hope that Honourable Members on the Government side could see fit to support this Motion.

Thank you.

**MR. PRESIDENT:**

The Honourable Member for Communication & Works.

**HON. LINFORD A. PIERSON:**

Mr. President, on behalf of Government, I wish to advise that we are able to support this Motion and I would congratulate the Mover on what I regard as a very timely and appropriate Motion.

Three years ago the Rotary Club of Grand Cayman Central launched a community project providing bus-shelters on Grand Cayman which was primarily targeted at providing a service to the general public. There are currently 13 purpose built bus-shelters in the Cayman Islands - 12 owned by the Rotary Club of Grand Cayman Central and one by the Department of Tourism, at the Seven Mile Beach area. These bus-shelters are attractive and afford considerable advertising space to off-set the cost of construction and maintenance.

Mr. President, having seen the Motion in the papers, the President of the Rotary Club of Grand Cayman Central, Mr. Herman Wilson, wrote a letter to me regarding the Clubs' desire to continue the project. I would like to read this letter.

"Rotarian Linford Pierson,  
Past President Rotary Club,  
Grand Cayman Central,

Dear Past President Linford,

The Board of Directors of our Club note with great interest, Private Member's Motion No. 23/90, which proposes that Government investigate the feasibility of providing school bus-shelters at clearly defined locations.

As you are aware our Club has already gained permission from Government to install bus-shelters on the islands and as to-date has installed 12 of these units. The Club currently owns 11 of the units. The one at the Public Beach on West Bay Road was sold to the Department of Tourism. (There is a slight difference in figures here, in those that I quoted originally).

The bus-shelters constitute one of our Club's sources of funds. The income from the rental of advertising spaces on the units has been assisting us tremendously in off-setting the cost of our various community service projects. To this end we hope that Government will continue to afford us the opportunity to erect additional

shelters at locations clearly defined by the Portfolio for Communications Works and Agriculture.

As an alternative we would like to suggest that Government give consideration to provide electrical lighting for the shelters. This would indeed, contribute to making them safe for the public at nights.

In your capacity as a Member of the Legislative Assembly, the Club would be very grateful if you would reflect the above comments on its behalf.

Yours in Rotary,

Herman Wilson."

Mr. President, at present school children congregate at Town Hall junctions or at pick-up points designated by bus drivers. During periods of inclement weather, these children have no place to shelter and bus drivers try to be as accommodating as possible by stopping at each residence where space permits. This is, however, extremely time-consuming in view of the very tight timetable which drivers have to maintain in order to get the children to classes on time.

There are in excess of 61 pick-up points throughout the Cayman Islands. There are 61 in Grand Cayman, I am not quite sure of the number in Cayman Brac. However, with the provision of bus-shelters, it may be possible to amalgamate a number of pick-up points which will reduce travel time considerably for the children. Those pick-up points are 12 in West Bay, 10 in George Town, 20 in Bodden Town, eight in East End and 11 in North Side.

The number of children travelling on buses are estimated at over 1,200, something like 1,211. There are 487 out of George Town, 293 out of West Bay, 232 out of Bodden Town, 135 from East End and 64 from North Side. There are at present 15 buses contracted by Government. There is no doubt at all in my mind that this Motion is a very good one. As I said, I wish to congratulate the Mover of this Motion and would advise that the Rotary Club of Grand Cayman which has already initiated this programme, would be willing to work along with Government in making these additional stops available.

Mr. President, it is my pleasure to support this Motion.  
Thank you.

**MR. PRESIDENT:**

The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:**

Mr. President, as the Member who seconded this Motion, I would like to thank the Honourable Member of Executive Council for the Government's acceptance and would fully endorse the idea that the service club which has been mentioned continue to be involved.

I feel that the bus shelters which have already been put up are providing a very good service to the children and other people who travel. There are many areas where these shelters are needed because the children have to travel long distances to the pick-up points. For example, in Bodden Town, at the junction with the Northward road, children coming out there to the main road have to travel maybe a mile or better just to get to the pick-up point, and there is nowhere for them to shelter if there is rain. Throughout the districts we find that there are many such spots.

I am grateful to the help given by the service clubs in these matters. For example, I know another club has spent some money in erecting signs which help to remind motorists of safety on the roads. I would also like to say that I believe if specially demarcated areas are provided, this will help to increase the flow of traffic, let it move a little faster at the peak times when the buses have places where they can pull off the road and pick up the children safely.

Having regard to the adjournment time I will not continue any longer, but only say that I am happy at the acceptance of this Motion.

**MR. PRESIDENT:**

The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:**

Mr. President, I will try to be brief. In supporting the Motion before us I would like to say that this is something very much needed in West Bay. It has been our campaign item at elections (for at least the 12 years that I have been involved) and I know even before that time the Member for Education used it in his re-election campaign. I am glad today that since we had asked for it several times on the floor of the House and nothing had been done, that the Government has accepted the Resolution.

I am happy also that the Rotary Club took the initiative some time back and erected one of their bus shelters in West Bay, but this is a far cry from what is needed. Bus drivers try to do their best to drop all children off, at the different points, as close to their homes as possible. West Bay is a wide district and, especially in the rainy season, this type of facility is needed. As I say now, for at least the past 12 years we have been talking about bus shelters in West Bay and I would hope that this matter moves along as quickly as possible.

I support the Motion, Mr. President.

**MR. PRESIDENT:**  
Cayman.

The Second Elected Member for Cayman Brac and Little



**MR. GILBERT A. McLEAN:**

I rise to support Private Member's Motion No. 23/90, calling for school bus shelters. I think the Member is to be complimented for having brought this Motion as it is something direly needed. It can easily be seen each morning as motorists drive to work - school children on the roads, buses stopping, cars lined up behind it. I think that it is indeed very timely.

I am very happy to see that the Member responsible for this subject has already gathered certain statistics which further highlight the need for this to be done. I, too, support the suggestion that there may be an involvement of the Rotary Club, as has been suggested. It has done considerable work already. It provides a source of income for that Club and perhaps Government might look at the possibility of working with them in providing materials or labour, or in whatever way, so that the two can work together. For the maintenance of them, perhaps the revenue could be jointly shared between Government and the Rotary Club, or if they would allow the Rotary Club advertising space on the shelters and leave all the maintenance to them.

I think there are possibilities for Government to work with the Rotary Club in this particular project. I would ask that Cayman Brac not be left out of this because I have also, on occasion, seen children there gathering in different parts of the Brac to catch the bus, and the same problems that exist there, exist here in Grand Cayman. Perhaps it creates more problems for traffic over there in that the roads, generally speaking, tend to be a bit more narrow with less shoulder to them. In doing this exercise, I would ask that the Member take due account of the need also existing in Cayman Brac. I am afraid I cannot help him as to the numbers of the present pick-up areas, but I imagine that would be readily available from the bus drivers.

Having said that, I support this Motion.

**MR. PRESIDENT:**

Before we suspend for lunch, I wonder if the Mover might like to clarify whether the last word in the Motion should be in the plural? It is relevant to what the Member just speaking, is talking about.

**MR. ROY BODDEN:**

Yes, Mr. President.

**MR. PRESIDENT:**  
until 2:15 P.M.

I thought it should be, thank you. Proceedings are suspended

#### AT 12:49 P.M. THE HOUSE SUSPENDED

#### HOUSE RESUMED AT 2:21 P.M.

**MR. PRESIDENT:**

The Third Elected Member for George Town.

Proceedings of the House are resumed.

The House is debating Private Member's Motion No. 23/90.

**MR. TRUMAN M. BODDEN:**

Mr. President, I support this Motion. Schools and the education system are very dear to me. I am happy to see that there will be cooperation, apparently with the Rotary Club to extend the number of shelters and also the number of bus stops. I just wondered why in George Town there are only 400? I know that in George Town we have the Middle and the High Schools, but I would hope that in the distribution I would see more going for George Town.

This improvement with the increase in numbers of the bus shelters is very important for children, especially during the rainy season. Its importance, I think, goes side by side with the three or four miles of sidewalks that were put in leading to the schools back some years ago in the early 1980s, late 1970s. I believe that the Rotary Club will cooperate with Government and together they will be able to improve this important part for the children of these islands.

**MR. PRESIDENT:**

wishes now to speak.

Would the Member wish to reply? It appears that nobody else

**MR. ROY BODDEN:**

Thank you, Mr. President, just as in my introduction, I will be equally brief in winding up. It is in order to thank those Members who spoke indicating their support; and, for those, who by their silence indicated their support, that is equally appreciated.

I would also like to say that it is comforting and gratifying to learn that this will be a cooperative venture. I believe that there is room for these kinds of efforts. I am happy to see the involvement of one of the service clubs, the Rotary Club, and the Government in an exercise of this nature. I believe that the end result will be something that all of us will be proud of and certainly it will be one small step in the protection of our school children as we set them on a path in preparing them to be future leaders of this country.

There is one other observation I have which arises as a corollary out of this, and that is that for those people who drive, particularly at peak hours when school children are being picked-up, I notice that some drivers are contravening the Law in that they insist on passing the buses when buses have stopped to let the students embark and disembark. That is another reason why I thought it would be necessary to have the bus stops clearly positioned and demarcated, so that those drivers on the road who may be inclined to be a little absent-minded can realise that they are supposed to exercise every caution.

Mr. President, it was my pleasure to have brought such a Motion to the floor of this House, and it makes me feel even greater to see the Government accept the Motion and,

as I mentioned, for it to have been so willingly accepted also by the service clubs. I believe that these kinds of things are incumbent upon us as Legislators to bring and I would also like to say that the praise in something like this does not belong necessarily to the Mover of the Motion, but to all Honourable Members who offered their support and certainly to the Government and the service clubs.

Thank you, Sir.

**MR. PRESIDENT:**

I shall put the question on Private Member's Motion No. 23/90.

**QUESTION PUT:        AGREED.       PRIVATE MEMBER'S MOTION NO. 23/90 PASSED UNANIMOUSLY.**

**MR. PRESIDENT:**

Member for Bodden Town.

Private Member's Motion No. 24/90, the Second Elected

**PRIVATE MEMBER'S MOTION NO. 24/90  
ESTABLISHMENT OF NEIGHBOURHOOD WATCH SYSTEM  
THROUGHOUT THE CAYMAN ISLANDS**

**MR. G. HAIG BODDEN:**  
which reads:

Mr. President, I move Private Members's Motion No. 24/90,

"WHEREAS the Police Reports over the years have shown an increase in crime;

AND WHEREAS alert citizens can provide valuable support to the Police;

BE IT THEREFORE RESOLVED THAT Government examine the possibility of establishing a Neighbourhood Watch System through out the Cayman Islands."

**MR. ROY BODDEN:**

Mr. President, I beg to second the Motion.

**MR. PRESIDENT:**

seconded. Would the Mover wish to speak?

Private Member's Motion No. 24/90 has been duly moved and

**MR. G. HAIG BODDEN:**

Mr. President, this Motion is brought with the hope that the public in the future will be able to give more assistance to the police in regard to crime. I need not go into the statistics of crime because they have been clearly set out in the police reports from year to year and they constantly appear in the news media on a daily basis. We do have a large amount of crime. The idea behind this Motion has been set out by previous organisations and, in fact, even by the police because the Motion primarily deals with the detection of crime. The Police Report for 1988, on page 16 reads: "Next to drugs, thefts and burglaries therefore remain as the main problem areas and determined efforts will continue to be made in regard to prevention and detection.". It is my belief that a Neighbourhood Watch System as recommended in this Motion could go a long way in helping with the prevention of burglaries and thefts.

Also, The 1990 Report of the Advisory Council on the Misuse of Drugs, in two separate recommendations, refers to specific areas where this type of Watch would help. Number five of the recommendations reads, and I quote: "5. The Council recommends that Customs continue its efforts to establish a Citizens Action Group to monitor outlying parts of the coast line for unfamiliar vessels, reporting such instances to a central authority, that is, Customs. This initiative if successful should be extended throughout the Cayman Islands.". Number eight of the recommendation reads: "8. The Council recommends that more personnel and greater emphasis be placed on drug detection in the Eastern districts."

The idea in this Motion is not new and has been recognised by the police and by the Drug Advisory Council. For effective policing one of the requirements is that the police must have the support and assistance of concerned citizens. Many times we find that citizens are willing to help, but are not certain how they can help or even who they can make a report to because many upright citizens are afraid of making sensitive reports to unknown voices or unknown people especially over the telephone.

If a watch could be established where the volunteers in that system would know precisely who they could call, precisely what number they must call, and have the assurance that their information would be confidential, I believe that the police could get more assistance.

What I would like to emphasise is that this Neighbourhood Watch would in no way try to enforce the Law. The Watch would not become a vigilante group but would simply report to the police any movements of suspicious persons or strangers in a community. For example, in the West Bay Beach area, where the burglaries are the highest, such a system if properly worked would be able to convey to the police that strangers are prowling around those areas.

Although the Motion says, "establishing a Watch System throughout the Cayman Islands", I would not expect that we would go out and set up these Watch Systems all over the place. I would hope that if the idea is accepted, that a specific area might be singled out for a pilot project and perhaps no better place could be found for that project than in Bodden Town, if this is agreeable to the powers that be.

I believe it is fair to give this a try. I understand it has worked successfully in the United States, in Miami, in the Florida state and in some other countries as well. I understand it has been tried out in Jamaica and I believe the establishment of such a system would also awaken the awareness of the citizens themselves so that they would always be on the look-out for groupings of people, whether they be gangs or whatever it is. In many instances I believe that some crimes could be prevented with such a system.

I commend this Motion to the House and ask Members for their approval.

**MR. PRESIDENT:**

The Honourable Third Official Member.

**HON. J. LEMUEL HURLSTON:**

Mr. President, I rise to offer a contribution to the debate on Private Member's Motion No. 24/90 on the possibility of examining the Neighbourhood Watch System for these Islands. As was mentioned by the Mover of the Motion, the Cayman Islands having no experience or history of the operation of Neighbourhood Watches, one has to obviously turn to the experience of others who have tried such a scheme with the hope that one can learn from those experiences elsewhere and adapt them to the local situation to the benefit of the community.

On a previous occasion when speaking on this subject, I confessed my ignorance as to the merits and mechanics of such a system and because of that ignorance I had to first seek to educate myself on this occasion so as to not be labelled the perpetual ignorant civil servant. On this occasion I invited the Police Department to give me a full briefing on this particular matter which I had received and I am happy first to say that the Mover of the Motion has rightly touched on the crux of what makes such a system effective. He has said that what the system is not, is a vigilante patrol. What it is not, is an alternative form of Law enforcement and it is commendable that that is understood first and foremost.

Let us then look at the conditions that make such a system most effective, since we know now clearly what it is not, let us look at what it might be. As I understand it, one of the first requirements of such a system is that it has to be operated in a geographical location that is readily discernible and definable. An example of that would be a clearly defined residential subdivision. The second pre-condition is that the impetus and initiative has to come from the members of the community living in that particular neighbourhood who are themselves trying to help themselves in this effort. It therefore cannot be forced on an unwilling public.

Let us then assume that we have a willing group of citizens and we have a clearly defined neighbourhood. What is the next step? The next step is for that group of citizens to present themselves in an organised fashion to the local police authorities. The local police authorities would then do a number of things for the group. They would invite the group to identify leadership and within the organisation I am told that the leaders of the groups are sometimes referred to as wardens. These group leaders are the persons who form the liaison directly between the working activities of the group and the Law enforcement agencies. Secondly, the police would set about educating the group as to the specific types of offences including historical data, current data, etcetera, that would enable the group to understand the dynamics of the environment in which they are to address.

As has been rightly identified, some of the more common types of offences targeted by citizens' action groups, or citizens' watch committees, are those offences such as burglaries and thefts, drug offences to a lesser extent because drug offences tend to be somewhat less overt. But, yes, they could also be included. The police would continue to educate the group as to the usual methods employed in the commission of offences and help the group to understand what they may do safely and wisely in order to achieve their objectives. The police would also perhaps have some resources to make available to the group in the form of literature, bumper stickers and other types of paraphernalia that would help to support the group in its objectives.

Finally, the police would respond to calls from members of the group who would report on their findings and it is in that direct liaison that the Law is then ultimately enforced. As rightly pointed out by the Mover, it is very much a matter of concerned citizens cooperating with the Law enforcement agencies in discharging commendable civic duties of reporting on criminal activities.

The Mover of the Motion mentioned a pilot project would probably be the best way to begin. That seems to the Government also to be very sensible, for one can then build on the experiences of that pilot project and go forward with a degree of confidence as the service subsequently expands. The area suggested, however, for the commencement of such a pilot project, may I suggest that we stay away from the Seven Mile Beach area to begin with, for the simple reason that we do not have a well organised group of residents in a defined area to work with.

The police statistics indicate the majority of burglaries and thefts committed in that area are committed in guest houses, condominiums and in tourist related facilities and it is very difficult to organise a Citizens' Watch Group in that particular migratory context. I understand, however, in the case of West Bay and the greater George Town area, there may be some opportunities for developing specific citizen groups with a view to commencing a Neighbourhood Watch Scheme.

I believe, therefore, that the Mover of the Motion has addressed the fundamental principle of his proposal. He has acknowledged what the scheme cannot do. I believe that we understand the basic principles of what the scheme has the potential of doing and it seems, therefore, that it remains for one thing to be forthcoming and that is that public spiritedness and commitment and dedication that is so often needed in organising, in coming together as a group and receiving the necessary training and guidance from the authorities in order to enable the group to function effectively. I encourage such public spirited individuals to make those wishes known perhaps through their elected MLAs so that a pilot scheme may be possible. I emphasise that it has to be initiated and motivated by the citizens themselves. It is not going to be as effective if it

is done the other way around where someone goes out and tries to initiate it and tries to get people to support it. The desire has to come from within the community in order for this to be effective.

The other final observation is that it was my understanding that the experience of Neighbourhood Watch Systems as practiced elsewhere had a bit of a down side as well as an up side. The down side generally elsewhere has been that where in one community a Neighbourhood Watch System has been effective, it has been effective at the expense of simply driving the criminal activity from one block of neighbourhoods to another block of neighbourhoods. That is not to say that that is not perhaps a good thing, because if you can keep flushing them from east to west, eventually the sun will set somewhere in the west or vice versa if you can get them going to the east, you may be able to push them over the precipice at East End.

In any event the merits and principles of the Motion are commendable. They are commendable to every Caymanian who has any concern for crime in his and her community. It has implications for families, especially with both spouses working. It has implications for young people who may be keen and enthusiastic at first and whose interest may subsequently diminish. It has implications in terms of its leadership and maturity and it has some implications in terms of its over all credibility. None of which are insurmountable, but has to be approached with care and thoroughness.

The Motion is a good one, it will be supported by the Government and we encourage pilot projects to be forthcoming and the police anxiously await the response.

Thank you, Sir.

**MR. PRESIDENT:**

The First Elected Member for Bodden Town.

**MR. ROY BODDEN:**

Mr. President, I am happy to learn of the acceptance of this Motion by the Government, and in my capacity as Seconder of the Motion I would like to congratulate the Honourable Member speaking on behalf of the Government, firstly on his acceptance and secondly, and perhaps equally as important, the informative and orderly way in which he set out the functions of such a system and especially his emphasis on what the system should not degenerate into.

Prior to bringing this Motion to this Honourable House, my colleague and I spoke informally with a small cross-section of residents in our constituency who were all in favour of such a Motion and I would have to say as community leaders and the representatives of those people, that my colleague and I will assume responsibility of helping them start up such a committee and I know that the desire is there because many residents have expressed it to me already. My colleague had suggested that we use Bodden Town as a pilot project and so it will be, I suppose, committing my colleague incumbent upon us to get this started somehow.

I think that this move is commendable in other ways, too, because it will allow our citizens to work with the police and to develop a sense of civic mindedness and a sense of responsibility which can only make the work of our police more enjoyable and less tedious. I believe in the long run it will serve to advise all those who insist in the perpetration of criminal activities and illegal clandestine activities that we as responsible citizens are not going to tolerate such activities. It would strike me that once the citizens are educated and stay in close touch and under constant supervision by the police authorities the system will work excellently.

In most cases all that will be needed is accessible telephone lines where the citizens can notify the police of any suspicious persons or activities which they see taking place in their neighbourhood. I too would like to emphasise that it is not a licence for any group or any individual to take the Law into his or her own hands. Or, it is not to be perceived as any encouragement of any group to form themselves into a bunch of vigilantes.

In some neighbourhoods where I have observed Neighbourhood Watches and Citizens Groups, I have noticed clearly demarcated signs such as signs saying, "Warning: this is a Neighbourhood Watch Area, if you do something illegal and I do not see you my neighbour will." In addition to those large signs, I have noticed little stickers in the windows of the individual houses saying, "This is a Neighbourhood Watch House, we are looking." These things are deterrents and the advantage in many cases is that to the person with illegal ideas or mischievous ideas he or she cannot readily see that someone inside the house is not watching them, so there is a psychological deterrent as well as a real deterrent. Sometimes the perceived deterrent may be just as effective as the real deterrent, meaning sometimes the thought of someone in a house peeping through a blind can be just as effective as a squad car coming down the road.

It is sensible to start with a pilot project, and I am sure once the success of that project spreads or, conversely, we may start with a number of pilot projects in different communities. Whatever the start, I am sure once the success of the system spreads, it will be something which will catch on throughout the Cayman Islands and it will make the work of the police easier and it will sharpen the citizens sense of responsibility and civic mindedness.

Again, I have to remark that I am happy that the Government can accept this Motion and I think that if we follow the concerns and the guidelines laid down by the Honourable Member, then certainly we should be able to have successful citizens committees set up.

Thank you.

**MR. PRESIDENT:**

24/90, would those in favour please say aye.

The question will be put on the Private Member's Motion No.

**MR. ROY BODDEN:**

Mr. President, I beg your pardon, the Mover has not...

**MR. PRESIDENT:**

I do beg your pardon, sorry.

**MR. G. HAIG BODDEN:**

That is fine, Sir. You may put the question.

**MR. PRESIDENT:**

No, I am sorry, I have completely got the wrong way around. I was looking at the previous Motion. The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:**

I shall be brief, Sir.

I support this Motion fully. I commend the two Bodden Town Members for bringing it. I believe that with a positive attitude by the police as well as a positive attitude by people in the neighbourhood that this can come about and can come about to be effective in prevention as well as providing the means whereby crime is detected at an earlier stage. While I appreciate what the Official Member said on this, I do believe that initially there has to be - and I repeat, initially - considerable effort on the part of the police as well as the neighbourhood residents, and I would like to see it move forward as he has mentioned in a spirit of cooperation towards the common cause, which is the reduction of crime in the Islands generally.

Sometimes, as he has mentioned, it is right that criminals move from one part of the Island to the other, but we do know that unlike large cities there really is not the possibility of the type of hiding and effective removal that has existed in the larger cities. I know that George Town is a much larger area than others, and I, however, look forward to seeing it used and extended to George Town as well.

Mr. President, in my manifesto at paragraph 4, when setting out the different things that I saw in relation to what could assist with the prevention of crime this is one of the things that I put in it prior to the last election. I believed in it then, and I believe that we can go a long way in reducing crime, reducing the impact and in catching criminals if this is properly organised and the police and the neighbours work together in partnership.

Thank you.

**MR. PRESIDENT:**  
Cayman.

The Second Elected Member for Cayman Brac and Little

**MR. GILBERT A. McLEAN:**

Thank you, Mr. President.

I rise to support the Motion which has been brought by the Second Elected Member for Bodden Town. I think it is a good Motion although there are some quarters who believe that this type of a thing should not be encouraged. However, I am of the opinion that times and events in our country have reached proportion that Members of the community of every neighbourhood need to become more directly involved in assuming some responsibility for helping thwart crime in these Islands.

It is not a far-fetched view or position, because from my earliest recollections we had a crime watch, if you will, in these Islands. When I say that, I mean that responsible law-biding adults were always attentive to what young people might have been doing or for that matter, persons who were at those times pretty well identified if they were in anyway associated with any kind of criminal activity. Surely, adults years gone by in the Cayman Islands did not hesitate to report any information to the police or for that matter to another adult whose child or children they may have found or seen doing something which was wrong.

I think for this to work as it should there has to be a getting back to where we came from in that there has to be clearly defined what is right and what is wrong. And when seeing what is wrong, people simply do not take it as being all right. That I suggest to some extent is one of the problems in our society at this time. Surely if we can but go back and pick-up and grasp attitudes, ideas, feelings and actions that we once had clearly defined and in practice, I believe this certainly can work.

The Second Official Member gave an outline of what could be generally put into practice in a formalised type of way. But, I believe that Crime Watch is something that everybody, if the attitude is right, if everyone is involved, and it would not necessarily be solely the responsibility of a few persons within a community, but it could be more generalised that persons who might be out to break the Law or to do something that is wrong and against society, would constantly be in fear that someone was watching, be that someone, whoever, the old lady on the street or even another young kid on the street. I think it has to be something that involves the community in quite a bit of its entirety.

I would suggest in implementing this and it follows on a point raised by the Mover of the Motion, that it simply not be made a number to be called. I would assume for it to work in various districts there would need to be numbers in the various districts to be called or if it was a particular number to be called centrally, then at whatever point in time or shift, those persons working there should be identified so that if a citizen calls to that particular number, they know they are speaking to police officer Jones and he is clearly defined. They know that they spoke to Mr. Jones and whatever resulted or did not result from that bit of information it was a closer and more personal contact between the person giving that information and the person who was expected to do something about it one way or the other.

It is indeed good to know that there is enough concern on both sides of this House that a Motion like this could be brought and that the Government chose to accept it. As crime is mounting in this society, as we have more prisoners in Northward Prison per capita than all the industrialised countries of the world, I believe this Motion is extremely timely, and I trust that what it is suggesting will be attended to in the earliest possible time. We then from the time of its implementation can see how effective it works. Hopefully there will be all hands to the wheel.

Thank you.

**MR. PRESIDENT:**  
Mover wish to reply?

Does any other Member wish to speak? In that case would the

**MR. G. HAIG BODDEN:**

Mr. President, I am happy to hear the support that has been given to this Motion. I see no difficulty in accepting the procedures outlined by the Honourable Third Official Member. I intended to say, or I thought I had made it clear, that I would like to see the pilot project start in Bodden Town. My mention of the Seven Mile Beach area was that that area could be helped with such a system, but I understand the difficulties of establishing a Watch there and perhaps that could only be done after experimenting with some other areas.

I remember many years ago (this was probably 15 to 20 years ago) from our vantage point in Breakers we were able to give the police assistance with certain boats that were off-loading ganja and the police were able to apprehend a few of these. But all of a sudden the police officers that we had been dealing with changed and on a certain day my wife called the Police Station and said she had seen a boat off Breakers that was behaving suspiciously. The officer told her, you should send your husband out to check it and from that day onward, we never reported to the police. I think this had simply happened because there was really no involvement with individuals and the police. There was no communication between them. This same difficulty still exists with people communicating with the police and I believe that these Neighbourhood Watches could remedy this situation and although we have a very good clear-up ratio with reported crimes, there is always room for improvement.

My firm belief is that the greatest job the police can do is to prevent crimes rather than detect them after they have been committed. It is with this hope that we have brought this Motion and I thank the Members that were receptive to it.

**MR. PRESIDENT:**

I shall put the question on Private Member's Motion No. 24/90.

**QUESTION PUT:        AGREED.        PRIVATE MEMBER'S MOTION NO. 24/90 PASSED UNANIMOUSLY.**

**MR. PRESIDENT:**

Perhaps before we take the break, I should explain why my mind was elsewhere when I attempted to call the question early on that last Motion. I was looking forward in the Order Paper to the next item and I noticed that, in fact, the seconder of the next Private Member's Motion is not here. Standing Orders do not provide specifically what needs to be done, but the Attorney General and I have concluded that it can be seconded by any Member once it has been moved. There is no help from the House of Commons because they do not apparently need to have seconders when Motions are actually brought on the floor. Proceedings are suspended for 15 minutes.

**AT 3:16 P.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 3:44 P.M.**

**MR. PRESIDENT:**

Proceedings are resumed. Private Member's Motion No. 25/90. The Second Elected Member for Cayman Brac and Little Cayman.

**PRIVATE MEMBER'S MOTION NO. 25/90  
SELECT COMMITTEE TO EXAMINE THE CONSTITUTION OF THE CAYMAN ISLANDS**

**MR. GILBERT A. McLEAN:**

Thank you, Mr. President.  
I beg to move Private Member's Motion No. 25/90 entitled, Select Committee to examine the Constitution of the Cayman Islands, which reads;

"WHEREAS by a majority vote, Government Motion No. 9/90, Request for Constitutional Study", was passed:

AND WHEREAS a Constitutional review was not a campaign issue in the last General Elections, nor was it publicly debated during the last General Election by any candidate or any present Elected Member;

AND WHEREAS it is considered reasonable and desirable that the bipartisan views and opinions of Legislators and the views of the public be solicited;

BE IT THEREFORE RESOLVED THAT a Select Committee, comprising all Elected Members of this Honourable House, be established:

- (1) to examine the present Constitution in the light of Members' experience

of working with it and to formulate a submission to the Constitutional Commissioners;

- (2) to consider the report of the Constitutional Commissioners, once it is tabled in the Legislative Assembly, and to invite representations and hear witnesses thereon;
- (3) to consider whether any recommendations necessary for the conduct of a General Election should be implemented prior to a General Election; and
- (4) to report to this Honourable House upon their consideration of the Commissioners' Report.

AND BE IT FURTHER RESOLVED that this Honourable House recommends that the implementation of any recommendations for Constitutional changes with the exception of the paragraph numbered 3 above shall not take place without the changes being the subject of a General Election."

**MR. PRESIDENT:** Would a Member care to second that Motion?

**MR. W. McKEEVA BUSH:** Mr. President, I second the Motion.

**MR. PRESIDENT:** Private Member's Motion No. 25/90 has been duly moved and seconded. Would the Mover wish to speak to it?

**MR. GILBERT A. McLEAN:** Mr. President, the question of the Constitution of a country is viewed by most peace-loving and democratic societies in the world as their most fundamental peace of legislation. From that Constitution emanates other legislation but it is the fundamental document to which a country subscribes.

In the middle of this year in the sitting in June, there arose conditions which clearly brought into sharp focus questions relating to the Constitution. There was long and protracted debate about certain proposed changes in this Honourable House and there were arguments that such things should relate to the Constitution, there were arguments against that. However, I contend that what sparked Government Motion No. 9/90 for Constitutional Review was the debate which came out of that particular meeting of the House. Not that I do not believe it was the Government's wish that there should have been a Constitutional Review, for in the Throne Speech there was mention made of that particular question, but there was no specific recommendation by the Government to do so. When the Government Motion was moved that was passed by a majority, it then created a situation whereby the Constitution on the Cayman Islands would be reviewed by a Constitutional Commissioner or Commissioners.

I have always felt, from the time that I have been able to discern and to understand a little about the significance of a Constitution to a country, that it should be the people of that country, be it which ever one, and its elected representatives who should be the focal point in decisions as to what changes there should be in a Constitution - to advance it or simply to clarify certain matters which could be found in it, or that could be placed there.

In the last meeting, unfortunately, the Motion for this Select Committee did not get on the floor of this House and had it done so, perhaps the Members of this House could be on their way to arriving at some consensus on points which we would wish to raise with the Constitutional Commissioners who should be with us in the first part of January in the coming year. However, be that as it may, this House now has the opportunity of approving a Select Committee of this House which will be constituted of all Elected Members of the House, the people's representatives, so that we can carry out one of the duties that has been placed upon us by the electorate and that is to examine, work under the Constitution and where necessary, sit down and discuss it with a view of giving our opinions or making submissions on the Constitution changes or amendment as we may see fit.

I am happy at least to be able to say that having witnessed and been a part of various contending points of views in this Legislative Assembly, that after some time I, and all of my colleagues on this side, were able to sit with the Government and look at what I had originally proposed in a Motion and for them to put forward what were their hesitations or concerns and for us on this side to do the same. It appeared to me that the Government had certain fears that we on this side would have taken a pathetic type of position that what had already been passed as a Motion to have a Constitutional Review, we would have attempted in some way to hinder or to usurp that process to the extent that we may not have been helpful to it in giving our opinions. Or, that if this Commission came and made certain recommendations for change we would be absolutely against the implementation of any of them prior to a general election.

The concerns we had on this side of the House were that it may have been in the mind of the Government that if there were considerable or major changes recommended in the Constitution there may have been an attempt to implement those without going back to the people in a general election. I am now able to say that what is in this Motion are the agreed words and process by which we were able to agree a position to put forward, so that we could sensibly and collectively discuss this. I think it is fair to say that there was no question about an impasse and there was a stand-off on this.

I was approached by the Member for Communications to find out if I would come and discuss with the Government certain concerns of theirs and what were certain concerns of mine and my colleagues. Certainly, I did not hesitate to do that; I am grateful that he took that step. I am certainly also grateful for the position taken by the Member for Tourism who (when we sat down after the initial discussion between myself and the before mentioned Member) chaired the meeting, at which time we arrived at what I believe is a sensible conclusion. I would reiterate that it is my opinion it has to fall to the duty of the Elected Members of this House to speak first and initially to discuss with the Commissioners the points of view and experiences that we have had with the Constitution. Should we not do so, we indeed would be shirking our duty.

Certainly, I would never subscribe to any point of view that barred the members of the public or any person who wished to testify or witness before a Select Committee of this House on the Constitution. I would encourage all interested persons in this society - all Caymanians with a view about where we are and where we should go, all associations, whatever, to come and appear before the Select Committee of the Elected Representatives. It does not in any way usurp the position of the Commissioners whom we are told will be coming here in January.

In fact, I think it gives a two-sided approach or it lends itself to a parallel position where the Commissioners can come to this country, take witnesses, interview Elected Members of this House, or members of the public and reach certain conclusions and then they make their recommendations and we can then have the benefit of their findings to match against our findings. I believe that it is possible we could find opinions that might not be expressed to the Commissioners. To my mind that is very easy to understand because the Commissioners are foreigners to those people who will be appearing before them.

There are known quantities and at least I would hope that those of us who are elected are known to the electorate of this country on a whole. Thus, I believe that members of the public may feel freer to express themselves to us than they might to the Commissioners. So, our findings and any views that we may have would take into account what the public, our people said to us and it would put us in a position to reconsider what we may have said to the Commissioners. It would also place us in a position that what the Commissioners recommend, we can put it all together and from that we should arrive at a practical and sensible conclusion.

One of the concerns with constitutional change, generally speaking, stems from the misinformation that has been spread by successive politicians over decades in this country. One of the areas certainly is this scare about independence. Any sensible person knows, certainly it has been stated by the Governor, it has been stated by the FCO, that independence is a major, major step. If anyone believes that we could simply jump from where we are now into independence, then definitely they are totally misguided if not crazy, in such thinking.

There is not one single instance where the administering power of the United Kingdom has ever allowed a territory to do such a thing. I do not believe they would attempt any such gestures in this case, particularly with the scare lobby that exists here, constantly attempting to frighten the people, that any expression at all about constitutional review or examination means independence. So, I feel it necessary that I should state very clearly that my position is to look at the Constitution in every detail as best as I can in the light of what I have seen with it as a civil servant and as an Elected Member of this House. Where I feel there may be shortcomings, I will express those. Where I feel improvements can be made through amendments which will allow more responsibility to the people who are elected, I shall do so. I will have no discussions with anyone regarding independence because I am not mad.

There are many areas where the people of this country have clearly made their feelings known about matters which relate to constitutional review, and, certainly, I share those views as some of those views have been debated in this Honourable House. Among those, and perhaps foremost, is that I would not hesitate to raise the question (and certainly my vote will go for a move to see this entrenched in the Constitution) of the Finance Committee being clearly defined and entrenched and comprising of only the Elected Members of the people. I have an opinion on that. The people have expressed their opinion and I am guided by that. So it is not absolutely necessary in instances like that for myself or I dare say for any of us to poll the opinion of the people. It is very, very clear in such instances.

**MR. PRESIDENT:** Perhaps I might just interrupt you for one moment on a general point. This Motion is about the creation of the Select Committee. It is not about Members' views on the Constitution or changes of the Constitution, it is about the desirability or otherwise with creating a Select Committee for a purpose. So I would ask you to stick to that particular point - having some latitude of course, as always - but let us try to stick to the thrust of the Motion.

**MR. GILBERT A. McLEAN:** Mr. President, I clearly take the point you made at the intervention, but I am the Mover of this Motion and I know how the propaganda goes in respect of independence and so on. I but made mention of the thing that precipitated this whole thing and on that, I thought it was in keeping with a general statement on this particular Motion.

**MR. PRESIDENT:** I think, so far, quite right. I was simply intervening to point out that you appeared to be going further away and I would recommend strongly to the House that this debate does not develop into an attempt to rebut apparent arguments which have not actually been advanced which are not, strictly speaking, relevant to the Motion.

**MR. GILBERT A. McLEAN:** Mr. President, I think what you have said, and what I have attempted to say, basically say the same thing and I tried to clarify my position so that there would be no



reasonable doubt.

On the question of the implementation of any recommendations which may come as a result of findings of the Constitutional Commissioners or findings of the Select Committee, I have hesitations generally speaking on the implementation of recommendations unless they directly relate to what would come into play in a general election. If there are recommendations for major advancements, it is my opinion that we should not attempt in any way to implement these prior to going back to the polls at which time the people can express their feelings, for or against, those who advocate whatever in respect of the Constitution.

Again, I believe it would be in order for me to perhaps just draw reference to one such point as it has been made by the Governor and by the FCO, and that is, should there be, for example, a recommendation for an increase of Membership in this House and the Select Committee so recommended to the House, then it would only be sensible that something like that be implemented prior to an election, otherwise it could mean having two in close succession.

The procedure as set out in this Motion, has been agreed among ourselves and to some extent by the Foreign and Commonwealth Office of the United Kingdom Government, which has in effect asked that we do not at the same time poll opinion or take witnesses during the time that the Commissioners are doing it, as it might confuse the public in the process. I agree with that and this Motion agrees with that because of the procedure which has been set out herein.

Certainly, a point that I wish to emphasise is that once the Commissioners' Report is made and it is available to this House, the public at large will have access to it and the public in every respect will be brought into this process. The input from the public and their opinion should be given the fullest consideration. That, having been done, is all that could possibly and logically be done. It would then be left to the people to live with the Constitution and for those who might be elected under a new Constitution to work with it as best they can.

I recommend this Motion to Members of this House.  
Thank you.

**MR. PRESIDENT:**

The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:**

Mr. President, I really did not want to rise at this late hour. I had hoped after the Mover presented the Motion, that we would have heard from the Government as is usual. I do not know why they held back, but this Motion cannot be turned around and used as propaganda against anybody because this resolution was decided upon by the 12 Elected Members of this Honourable House. And with something as important as our Constitution, I believe this was the best way to go and I am happy that after some consideration Members on both sides agreed to get together.

For many years constitutional talk has been bounced around these Islands. At one point I even had help in drafting a Motion which was asking for a Select Committee of the House to look at the Constitution. Let us make no bones about it, this country today is faced with the very serious issue of possible Constitutional changes and it is wanted all around.

I believe that those who are in the Foreign Office want this country to have Constitutional change; I say that from discussions we have had. I personally feel that certain changes need to be made. I have said this many times before. We must, however, be extremely careful that what happens in the end by bringing these Constitutional Commissioners here, is not something to satisfy humongous egos. While we will meet to discuss possible changes, not many people have said publicly in this House what they foresee needs to be changed, even though they know that there are changes coming and that changes are needed. I am not going to be a hypocrite. I am careful of who I talk with because I remember we marched on issues. When I say marched, there was a public demonstration and there was a petition signed on issues and our public sent this Backbench to London on issues, but, lo and behold, nobody listened to us on that particular issue, although as far as the trip to London was concerned, a lot of good has come out of it and will come out it.

This Motion is tabled with the hope that we can have some unanimity in what we foresee as problems in the workings of Government. The Motion is very clear as to what will happen. We are going to meet, as I said, to examine the present Constitution in the light of Members' experiences of working with it, and to formulate a submission to the Constitutional Commissioners. Then we are going to meet to consider the Report of the Constitutional Commissioners once that Report is tabled in the Legislative Assembly and then to invite representations from whomever, let us hear from our public and hear those witnesses on those representations. We are going to consider whether any recommendations necessary for the conduct of a general election should be implemented prior to a general election. For instance, that would be only if we needed more Members, and then we are going to report to this Honourable House upon the consideration of the Commissioners' Report. The public is going to have their say about what they feel about any constitutional changes.

This Motion, then, as far as I am concerned, is a very good one. It is a legal means of Honourable Members as the Elected Representatives of the people putting forward, in legal document, our feelings and the public's. Mr. President, this is the democratic way. This is the only way. The Constitutional Commissioners will be able to talk to whomever they wish, wherever they wish. We must be assured that our people's wishes are met. The wishes of our people must be of paramount importance, not mine. It is the public we serve.

There are many areas that I think a new Constitution can affect, and areas which we will no doubt get into once we form this Select Committee. As has already been said, we must look at the situation of the structure of the Finance Committee and because I know this is a thorn in everybody's side in this House, I am not going to say any more on it, except to say that there is a fundamental weakness and that needs to be straightened out. The weakness between those who govern and those who are governed. I

believe that I can go into that Committee with every good wish of my people because on that matter they do not want that situation. As I said, that is enough said on that point.

Once we get into the Select Committee there is a question of whether the Bill of Rights, as has been talked about, should be written in the Constitution. We could look at it in the light as to whether it be a specific clause in the Constitutional document, or a mere statement of intent in the form of a preamble. Personally, I will say now that I support a clause capable of being enforced in Court, because it had the support of the Law by being a part of the Constitution. I say no more on that as I heard you say earlier that we are not to get into specifics, but I thought it would be nice...

**MR. PRESIDENT:** You are quite right, I was about to interrupt you. Perhaps I might just say a word. I think you have illustrated it very nicely. You are entirely entitled to your view on a Bill of Rights, and where it should be and what form it should take. But that is a matter for the Review and afterwards the Select Committee on the Review of the Commissioners' Report. It is not a matter for this Motion, which is whether or not there should be the Select Committee. Thanks.

**MR. W. McKEEVA BUSH:** Thank you, Mr. President.  
We are going to go into Committee and these are areas that personally I would like to see looked at. I am only saying those in passing. If we really do not debate those things or talk about some of it, I do not know how much else we would be able to say. But, there are, in brief, for instance, the Office of the Auditor General would need to be looked at and I believe should form part of a Constitutional clause...

**MR. PRESIDENT:** Just let me interrupt once again. These things are entirely proper to be said and to be debated at the point in time when they come to that. This debate is about a Motion to have the Select Committee, which will discuss all the matters you are now talking about. Please continue.

**MR. W. McKEEVA BUSH:** As I said, there are many issues which need to be looked at as we all know that Constitutions can do a lot. Constitutions provide the framework within which good Government can be maintained, they provide a framework within which the people's rights are preserved; it declares in its form the purpose and intention for which the Government stands, and it forms the face and image of a country's political self which the country presents to the world. That is as much as a Constitution can do. No Constitution operates itself, and we go into that Committee with this in mind for in the end the Constitution is what the people and the Government make of it.

You know we may write the best Constitution in the world and not get an Elected House which preserves the democratic spirit which we know and love. We can have the best Constitution, and we may go in there with the best minds, and the best intentions, but still have a Government which is useless for the country and destroys the reputation of the country before the world. You can also even have a Government with a bad Constitution but still maintain a high reputation for the country, for integrity, good sense and good Government. In the end what amounts to more than Constitutions and Select Committees to form the Constitution is what Government secures for the people we represent. This is what I believe our people are concerned about today - a good life, liberty, and a country without too many restrictions to be really able to pursue happiness.

I am hoping that any changes that might come out of that Select Committee to our Constitution will be used to build a better country, a better life for all of our people. We have to promise our people that we will work together to bring about those aims. First, we must work to see that the people have their say in what goes into the Constitution and then we must work equally as hard to see that the people get the representatives they want to work with that Constitution, which means exactly what this Motion says. We are not going to support any implementation of any Constitution, unless it is deemed necessary for the holding of an election, until the people have had their say at the polls and elect whom they want.

In closing, we believe and are the first to say and to acclaim in every instance in which the public succeeds in having their way on a matter where the politicians are concerned because we are the servants of the people and we are sent here to execute their will.

Mr. President, as I said, we hope that we get a Constitution that is workable for the country that protects the people whom the Constitution is meant to serve.

## ADJOURNMENT

**HON. WOODWARD L. TERRY:** Mr. President, I move the adjournment of this Honourable House until 10 o'clock tomorrow morning.

**MR. PRESIDENT:** The question is that this Honourable House do now adjourn until 10 o'clock tomorrow morning. I shall put the question.

**MR. PRESIDENT:** The Ayes have it. The House is accordingly adjourned until tomorrow morning at 10 o'clock.

**QUESTION PUT: AGREED. AT 4.33 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10 A.M., THURSDAY,**

**WEDNESDAY  
15TH NOVEMBER, 1990  
10:09 A.M.**

**MR. PRESIDENT:**

Prayers by the First Elected Member for West Bay.

**PRAYERS**

**MR. W. McKEEVA BUSH:**

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 our 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 the light of his countenance upon us and give us peace now and always. Amen.

**MR. PRESIDENT:**

Proceedings of the Assembly are resumed. Questions, No. 153.

The First Elected Member for Bodden Town please.

**QUESTIONS TO HONOURABLE MEMBERS**

**THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE**

**NO. 153:**

Would the Honourable Member say: a) How many children were suspended from the Cayman Islands Middle School and the Cayman Islands High School over the last school year; b) what was the nature of offences which led to the suspensions; and c) will the Honourable Member provide a breakdown of the suspensions, showing age and gender as well as nature of offences of individual children?

**ANSWER:**

a) Over the last school year 1989-90, a total of 173 students were suspended from the Cayman Islands Middle School (46), and Cayman Islands High School (127).

To answer part b) of this question I wish to refer you to part c) as it contains the answer.

c) The following is a breakdown of the suspensions showing age, gender, as well as nature of offences of individual children:

**SUSPENSIONS: CAYMAN ISLANDS MIDDLE SCHOOL - 1989-90**

NO. OF GIRLS	AGE	OFFENCES
1 11		Rude to Deputy Principal
1 11		Threatening teacher
1 (twice)	12	Instigating a fight
1 (twice)	12	Defiance to Deputy Principal
1 12		Continued disruptive behavior
1 12		Possession of a threatening weapon
1 12		Rudeness and defiance to teacher
1 (twice)	12	Multiple behavior problems
1 12		Obscenity to teacher

NO. OF BOYS	AGE	OFFENCES
2 (twice)	10	Multiple behavioral problems e.g. breaking school rules, threatening teachers & pupils
1 (four times)	10	
1 (six times)	10	Obscenity to teachers Using obscene language and possession of weapon
1 (twice)	10	
1	10	
2 (twice each)	10	Biting and kicking other students
4	11	Endangering the safety of others- disruptive behavior
1	11	Endangering the safety of others-disruptive behavior
1 (three times)	11	Endangering the safety of others- disruptive behavior
4	11	Possession of a threatening weapon
1	11	Possession of a threatening weapon
1	11	Using obscene language
4	11	Multiple behavior problems
2 (twice)	12	Frequent breaking of school rules
1 (three times)	12	Frequent breaking of school rules
1	12	Bullying his brother
2 (twice)	12	Rudeness, obscenity threatening teacher
2 (four times)	12	Rudeness, obscenity threatening teacher
1	12	Inciting student to fight
2	12	Continued disruptive behavior
1	12	Threatening weapon
1	12	Endangering the safety of others

**SUSPENSIONS: CAYMAN BRAC MIDDLE/HIGH - 1989-90**

**BOYS ONLY**

NO. OF BOYS	AGE	OFFENCES
2	14	Multiple behavioral problems (one is a return student from approved school in Jamaica - and is Jamaican)

**SUSPENSIONS: CAYMAN ISLANDS HIGH SCHOOL - 1989-90**

NO. OF GIRLS	AGE	OFFENCES
6	14	Fighting
2 (twice)	14	Fighting
2	14	Obscene language, verbal abuse and threats
1 (twice)	14	Obscene language, verbal abuse and threats
1 (three times)	14	Obscene language, verbal abuse and threats
4	14	Accumulation of after-school detentions
1	14	Possession of a dangerous weapon
5	15	Serious fights
5	15	Obscene language, verbal abuse and threats
1	15	Accumulation of after-school detention
1	15	Repeated disobedience

NO. OF BOYS	AGE	OFFENCES
7	13	Fighting

5 (three times)	13	Fighting
2	13	Rock throwing
1	13	Abuse to a policeman
1	13	Theft
2	13	Possession of dangerous weapons (knives)
2	13	Hitting girls
1	13	Throwing a chair
7	13	Abuse and threats to teachers & Bus Warden
2 (three times)	13	Abuse and threats to teachers & Bus Warden
7	13	Accumulation of after-school detentions
1 (three times)	13	Accumulation of after-school detentions
10	14	Fighting
1 (twice)	14	Fighting
1 (twice)	14	Disobedience & poor behavior
1	14	Urinating in the cupboard
3	14	Theft
1	14	Dishonesty
1	14	Possession of a weapon (knife)
1	14	Hitting a girl
17	14	Abuse and threats to teachers/students
1 (five times)	14	Abuse and threats to teachers/students
1 (four times)	14	Abuse and threats to teachers/students
2	14	Abuse and threats to teachers/students
8	15	Fighting
1	15	Writing insulting questionnaire
1	15	Possession of dangerous weapon (flare gun/shots)
1	15	Possession of dangerous weapon (knife)
8	15	Threats, disobedience and abuse to teacher and Bus Wardens
1	15	Threats, disobedience and abuse to teacher and Bus Wardens, plus tested positive for drugs.

Mr. President, I am in your hands, whether I should read this list or not because it said provide a breakdown showing...

**MR. PRESIDENT:** It is something like nearly three pages of text which I think perhaps would be rather long for a normal answer. Would the Member who asked the question care to look at the text? Thank you.

Shall we give a little longer than usual for supplementaries or...

**MR. ROY BODDEN:** Mr. President, when I asked for him to provide it I was perfectly willing to take it in this form.

#### SUPPLEMENTARIES:

**MR. PRESIDENT:** Thank you. Supplementaries?

**MR. ROY BODDEN:** Thank you, Mr. President. The question I would like to pose now, Sir, is, from the nature of these offenses it seems that in most cases aggressive behavior is the dominant pattern. Is any provision made for these students to be counselled after such offences?

**HON. BENSON O. EBANKS:** Yes, Mr. President, there is a counsellor on the staff and a

second has been added in this year's total of recruitments. That is, as of September.

- MR. ROY BODDEN:** Thank you, Mr. President. I would like to find out from the Honourable Member if the normal pattern is, after a student has committed an offense and been suspended, is that student counselled prior to his returning to school?
- HON. BENSON O. EBANKS:** No, Mr. President, I could not with any certainty, other than to say that counselling is continuous.
- MR. ROY BODDEN:** I wonder also, if the Member is in a position to say if any of these offenses occur on the school buses or at the bus stops, while the children are waiting to be transported to the school?
- HON. BENSON O. EBANKS:** Mr. President, I believe the list will show that some of these offenses occurred on the buses.
- MR. ROY BODDEN:** Thank you, Mr. President. I would just like the Honourable Member, if he feels so disposed, to give an undertaking to investigate this so that I may satisfy myself as to whether these students, having committed an offense and having been suspended from school, are counselled regarding their behavior prior to their being admitted to school.
- HON. BENSON O. EBANKS:** There is no problem with that, Mr. President. I can check that and let the Member know.
- MR. PRESIDENT:** The Second Elected Member for Cayman Brac and Little Cayman.
- MR. GILBERT A. McLEAN:** Thank you, Mr. President. I would like to ask the Member, if he would say if the only means or method for dealing with these offenses was suspension and if it was, for how long were these children suspended on an average?
- HON. BENSON O. EBANKS:** Mr. President, suspension is the last alternative used in punishing students. For example, detention is much more prevalent than suspension.
- MR. PRESIDENT:** And the second part of the....
- MR. GILBERT A. McLEAN:** He did not reply to the second part, Mr. President.
- MR. PRESIDENT:** Would you repeat the second part?
- MR. GILBERT A. McLEAN:** The second part of my question was, how long on average were the children suspended?
- HON. BENSON O. EBANKS:** I do not have that figure, Mr. President, but maybe it would be of interest to know that the school can only suspend for a maximum of seven days, and after that it has to go to the Chief Education Officer, then to the Education Council. The suspension orders, which I have seen, are usually for three or four days.
- MR. PRESIDENT:** The Second Elected Member for Bodden Town.
- MR. G. HAIG BODDEN:** Mr. President, may I ask the Member if any attempt is made through the social workers to reach the parents of children that are suspended, so as to find out if there are any problems at home?
- HON. BENSON O. EBANKS:** Yes, Mr. President, that is so. In addition, I can assure the Member that the counsellor at the school also visits the homes.
- MR. PRESIDENT:** The Third Elected Member for George Town.
- MR. TRUMAN M. BODDEN:** Mr. President, I would like to ask the Member what is being done to deal with this frightening increase in the number of suspensions recently?
- HON. BENSON O. EBANKS:** Mr. President, I do not know where the Member gets his statistics from but it does not seem to be that the number of suspensions has been increasing. In fact, it appears as though they may be decreasing.
- MR. TRUMAN M. BODDEN:** Would he have then, any statistics to substantiate what he said, say for the past year? I have just one other question....

- MR. PRESIDENT:** You are asking first, one at a time.
- HON. BENSON O. EBANKS:** Yes, Sir, for example the 1987-88 school year had 200 suspensions and the 1988-89 had 235.
- MR. PRESIDENT:** You had another supplementary?
- MR. TRUMAN M. BODDEN:** Would the Member say what impact the overcrowding at schools may have had on some of these offenses which are behavioral in nature?
- HON. BENSON O. EBANKS:** I have no knowledge, Mr. President, that there is any overcrowding to cause behavioral problems in the school.
- MR. PRESIDENT:** I think the First Elected Member for Bodden Town is next.
- MR. ROY BODDEN:** Thank you, Mr. President.  
I would like to ask the Honourable Member to give some information or indication of how these actual suspensions are handled. Maybe I can elaborate. When a child is suspended, who assumes responsibility for that child's behavior, conduct and absence from school?
- HON. BENSON O. EBANKS:** Mr. President, the parent is written a letter which is sent home with the child, stating the nature of the offense, the length of suspension and asking the parent to come in to discuss the student's behavior.
- MR. PRESIDENT:** The Second Elected for Cayman Brac and Little Cayman.
- MR. GILBERT A. McLEAN:** Looking at the reply, there are 10 year-olds here, who have been suspended. Would the Member say if teachers or schools employ the use of a strap or corporal punishment, which might be sufficient for something like fighting or cursing, or whatever the case may be? How does suspension help in this particular case?
- HON. BENSON O. EBANKS:** Mr. President, the use of the strap is still in schools, but it is used sparingly. I know that in the High School, to fight is an automatic suspension. Children know that when they enter the school.
- MR. GILBERT A. McLEAN:** Mr. President, the Member has said that it is an automatic suspension for fighting, and I wonder if fighting is not one of the most likely things to happen in a school, among boys or even among girls? Why is there apparently a policy that because two kids fight, they are suspended? Is there not some other means of punishment available, for example, doing some extra work?
- HON. BENSON O. EBANKS:** Mr. President, it is expected that at the age of entering High School, children would learn to behave in a more responsible manner, and the teachers have found that the suspension for fighting has worked. The number of incidents has decreased.
- MR. PRESIDENT:** The Second Elected Member for Bodden Town, you were catching my eye.
- MR. G. HAIG BODDEN:** Mr. President, may I ask the Member if the pupils are cautioned before a suspension? For example, it shows here that one person has been suspended after, say, three times of committing, probably, the same offense. Would this child have been cautioned that if it happened a third time he would be suspended?
- HON. BENSON O. EBANKS:** Mr. President, maybe I should point out that twice, four times, six times, actually means the number of times that particular student was suspended, not that the act was committed that number of times.
- MR. PRESIDENT:** First Elected Member for West Bay.
- MR. W. McKEEVA BUSH:** Mr. President, a supplementary. Are there any plans to employ the strap more in schools?
- HON. BENSON O. EBANKS:** No, Mr. President. We are, in fact, in breach of some international conventions at the moment for using it, and we repeatedly have to disregard appeals and requests for certification that the strap is not used.
- MR. W. McKEEVA BUSH:** Mr. President, I wonder how long these international rules have been in place, because when we were in school we were kept in order by the strap.
- MR. PRESIDENT:** Perhaps I might help you there. There is, in fact, a United

Nations convention (the Attorney General will no doubt set me right), and I think the United Kingdom, on behalf of Cayman, has entered a reservation in regard to corporal punishment in schools so that this country, this Territory, may continue to use the corporal punishment within its own regulations as prescribed. That is the situation.  
The First Elected Member for Bodden Town.

**MR. ROY BODDEN:**

Thank you, Mr. President.

A cursory glance at the statistics on the suspensions given by The Honourable Member leads me to ask if any attempt has been made by the Portfolio, or the Department, to assess the nature of these offenses leading to suspension? It seems to me that a significant amount has to do with aggressive behavior. Has any attempt been made to assess the nature of these offenses leading to suspension and does the Department not consider these things serious and significant enough to try to set in motion some kind of preventative measures such as compulsory counselling of both student and parents, and/or some alternate means of correcting the offenses?

**HON. BENSON O. EBANKS:**

Mr. President, the best way to answer that is that parents and students are continuously requested to come into the school for counselling. This is why I said earlier, that the counsellor, in fact, often seeks out the parents when they neglect answering the request to come in to school. I am satisfied that the pastoral staff at the school is doing as much as they can to assist with this problem. There is another question coming up that hinges very closely on this, but repeat offenders are even assessed for a psychological problem.

**MR. PRESIDENT:**

The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:**

Mr. President, in regard to your information, I am wondering whether the Member would have a look at some regulations, so that we can use the strap as a means of deterrent rather than suspension? We are here dealing with 10, 11 and 12 year-olds. Do not tell me that we cannot handle them, Mr. President.

**HON. BENSON O. EBANKS:**

Mr. President, I made it clear that the strap is used in the school, but I would only add that we are living in a different age and very often parents object to their children being strapped.

**MR. PRESIDENT:**

The First Elected Member for Bodden Town.

**MR. ROY BODDEN:**

Thank you, Mr. President.

I wanted to ask the Honourable Member if there is any liaison between the counsellors and the Pastoral Care Department at the High and Middle Schools and the Social Services Department, and if there are any probationary services offered so that not only the education authorities but also Social Services can keep a tab on this kind of behavior?

**HON. BENSON O. EBANKS:**

Yes, Mr. President, there is interaction between the two departments. For example, Social Services, under their auspices, have started an after-school activity for some of these children.

**MR. PRESIDENT:**

I think the Third Elected Member for George Town is next.

**MR. TRUMAN M. BODDEN:**

Mr. President, does the Member have any earlier statistics on the number of these prior to 1987-88 that he gave? If not, maybe he would just supply them.

**HON. BENSON O. EBANKS:**

No, Mr. President, I asked for earlier statistics and I only got back to the 1987-88 school year.

**MR. PRESIDENT:**

I think the House has explored that very important subject. Should we move on to Question No. 154? The First Elected Member for Bodden Town.

**THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE**

**NO. 154:** Would the Honourable Member say: a) if there are any facilities and services being offered by the Education Department for psychological assessment of behaviorally dysfunctional children? b) if the answer is in the positive, how long have such facilities been in place; c) How many children have been assessed, and what is the nature of the dysfunctions; and d) if the answer is in the negative, are such services deemed necessary by the authorities?

**ANSWER:**

In order to correctly answer this question, the accurate identification of the terminology used must be made. The terms are more accurately identified as Behavior Disorder (BD) and Dysfunction. Behavior disorder is a condition in which a person's actions are so inappropriate, disruptive and possibly destructive, that they may require special services. Dysfunction is



partial disturbance impairment or abnormality in a particular bodily activity.

Therefore, in direct response to the Member's question: a) Yes. There are facilities and services being offered by the Education Department for psychological assessment of children affected by behavior disorders.

b) Services and facilities have been in place since September 1989. By way of explanation, the period September 1989 to June 1990, service was provided by a private clinical psychologist. From September 1990 to the present, these services are provided by an in-house educational psychologist.

c) Twelve children (8 - Cayman Islands High School, 2 - Cayman Islands Middle school, 2 - Primary school) were referred to a private clinical psychologist during the academic year 1989-90.

d) All children exhibited severe destructive behavior at school and were diagnosed as being affected by behavior disorder. The diagnoses, according to the clinical definition, do not constitute dysfunction.

#### SUPPLEMENTARY:

**MR. PRESIDENT:** Supplementaries.

**MR. ROY BODDEN:** In the cases mentioned, can the Honourable Member say if the counselling has been successful or has reached the stage where the counsellor is in a position to say if the children will ever be able to be mainstreamed in the near future?

**HON. BENSON O. EBANKS:** Some of the children have already gone back into the mainstream, Mr. President. In fact, more than half of them.

**MR. PRESIDENT:** Next question then please, No. 155. The First Elected Member for Bodden Town.

#### THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE SECOND OFFICIAL MEMBER RESPONSIBLE FOR LEGAL ADMINISTRATION

**NO. 155:** Will the Honourable Member provide a progress report on the implementation of the system of court recorders throughout the Courts?

**ANSWER:** The Court Reporter system has been implemented. It operates in the Magistrate's Court presided over by Mr. Douglas. Its operation in the Magistrate's Court presided over by Mr. Ramsey has been delayed because one of the two Court Reporters has been temporarily incapacitated by injury sustained in an unfortunate accident.

With only two Court Reporters, the Court Reporter system is not at present capable of implementation throughout the Courts. The Magistrates' Courts were chosen as the venue for the implementation of the Court Reporter system as it is in those Courts that most of the criminal litigation takes place. Consequently, those Courts generate most of the appeals requiring an accurate transcript of the proceedings. The volume of work is currently more than enough for two Court Reporters.

The existing legislation permits the implementation of the Court Reporter system in the Magistrates' Courts. Nevertheless, legislation is under preparation to further enhance the status of the Court Reporter.

The expansion of the Court Reporter system to the Grand Court will require additional Court Reporters, additional computers, additional office space and new Court Rules.

#### SUPPLEMENTARIES:

**MR. PRESIDENT:** Supplementaries. The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Mr. President, would the Honourable Member state whether the legislation he referred to in the answer was to deal with giving the Court Reporter's transcript the right for use on an appeal? I just wondered what that related to, Sir.

**HON. RICHARD W. GROUND:** Yes, the current existing legislation in the Magistrates' Court

requires any note of the proceedings either to be made by the Magistrate or made under his supervision and then checked and signed by him. The proposal is that the Court Reporter himself, or herself, would produce the transcript and sign and authenticate it, and that would then be the document used on appeal. It is a proposal that emanated from the Chief Justice. We are drafting it at the moment and we will probably bring it in the next session.

**MR. TRUMAN M. BODDEN:** I just had one other question, Sir. I understand that at present with guilty pleas and sentencing, the Court Reporters are normally not there. Is this because of a lack of sufficient reporters, and will this gap in the future be covered?

**HON. RICHARD W. GROUND:** I indeed understand it to be the case that for most guilty pleas the Court Reporters are not present. I am told that to involve the Court Reporters in that sort of proceeding is going to reduce the time that they can devote to the principle task of recording trial proceedings and transcribing those recordings.

The choice of putting Court Reporters to record trial proceedings is, I think, self-explanatory. But it is because that in trial proceedings one is dealing with evidence given by witnesses, which needs extremely accurate, or at least benefits from extremely accurate recording. There is also the consideration of the provisions of the existing Criminal Procedure Code which limits the amount of material that need be recorded on a guilty plea, and section 76 says thus on a guilty plea:

"it shall be sufficient compliance with the requirements of this Code relating to the manner of recording of evidence if the magistrate, when the accused makes a statement admitting the truth of the charge, instead of recording the accused person's statement in full, enters in the record a plea of guilty, and it shall be sufficient compliance with the provisions of section 52 relating to the contents of the judgment, if the judgment of the court consists only of the finding, the specific offence to which it relates and the sentence or other order..."

I think there is also the additional provisional point, that if an appeal is made on a guilty plea, it would be on sentence alone and the lawyer, or whoever made representations to the court below, has the opportunity of repeating those on appeal.

**MR. TRUMAN M. BODDEN:** Could I ask the Second Official Member if in relation to that, once we do have sufficient reporters, because sentencing is an extremely important part of a trial, in fact it is the most important part, perhaps, because it determines the right time that they be in, if he would look at that in relation to reviewing it, and perhaps avoiding the affidavits, or whatever, if there is a conflict on appeal?

**HON. RICHARD W. GROUND:** The final decision of how the Courts are recorded and where the Reporter goes really lies with the Judiciary. The Criminal Procedure Code says that it lies with a Judge; it does not tell us which one. I am certainly happy to ask the Clerk of the Court to bear that in mind.

I do not now know when the number of Court Reporters will be increased. I did give an answer earlier this year indicating that proposals were likely to come forward in this year's Budget to increase the size, but Members, if they look at the Judicial Section, we will see that now the proposal for 1991 is to maintain the establishment of Court Reporters at the same level as for 1990. I thought I should make that clear so Members are not misled; so, I do not see an increase in the immediate future.

**MR. PRESIDENT:** Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Thank you, Mr. President.  
Would the Honourable Member say if it is not really contrary to the purpose for which Court Reporters are hired, for the Judge to review and check what they have written? It appears that they are the ears and they are the writers, and in most Courts it is my understanding that the record of the Court Reporter is indeed the record of the Court.

**HON. RICHARD W. GROUND:** I think the Member may have misunderstood what I said earlier. The present legislation requires the Judge to check it. We are changing that and we will be bringing legislation in the next session, so that the Judge does not have to check it and so that the Court Reporter's record is self-authenticated, that the Court Reporter will authenticate her own record. Thus obviating the need for the Judge to read through the long transcript and allowing the Court Reporter to be arbiter of what she has recorded.

**MR. GILBERT A. McLEAN:** Mr. President, may I ask the Member if in this process then, may the Judge change certain entries within the transcript of the Court Reporter?

**HON. RICHARD W. GROUND:** I can do no better than just reiterate what the present provisions, the provisions that we will be changing, say that the record has to be either taken by the Judge himself or under his supervision and then signed by him.

What practice any particular Judge may adopt I simply have no way of knowing, but the fact that this is to be addressed in as near a future as possible, is the best answer I can offer to the Member.

**MR. PRESIDENT:** Next question, please. The First Elected Member for West Bay.

**THE FIRST ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE**

**NO. 156:** Can the Honourable Member say what the status of the investigation into the financial irregularities at the Cayman Turtle Farm is?

**ANSWER:** The Commercial Crime Branch of the Royal Cayman Islands' Police has completed its investigation and submitted its findings to the Legal Department.

The conclusion drawn by both departments is that there is insufficient evidence to charge any particular person or persons with an offence.

**SUSPENSION OF STANDING ORDER 23(7) AND (8)**

**HON. WOODWARD L. TERRY:** As it is now 11 o'clock, I beg to move the suspension of Standing Order 23(7) and (8), to enable the remaining questions on the Order Paper to be taken.

**MR. PRESIDENT:** I shall put the question.

**QUESTION PUT:      AGREED.      STANDING ORDER 23(7) AND (8) SUSPENDED.**

**MR. PRESIDENT:** Are there any further supplementaries on Question No. 156? In that case, question No. 157, The First Elected Member for West Bay, please.

**THE FIRST ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES**

**NO. 157:** Would the Honourable Member say what precautions have been taken locally since the notice of the outbreak of typhoid in Jamaica?

**ANSWER:** The Public Health Department has contacted the Epidemiology Unit of the Ministry of Health, Jamaica, Pan American Health Office in Jamaica, and CAREC in Trinidad, and are monitoring the Jamaican situation closely.

However, all these organisations confirm that the present outbreaks in Jamaica are very localised and are under control.

Specific precautions have been:- 1) A health advisory notice on typhoid for travellers to Jamaica has been prepared and distributed to airlines and travel agencies.

2) Over 100 water samples have been collected and are being tested. The culture plates have been sent to the CAREC laboratories in Trinidad for identification of specific organisms.

Pending the results of our water tests, and identification by the Jamaican authorities of the source of the recent outbreak, further measures are now under consideration.

These measures do not include a mass vaccination programme, but will emphasise increased vigilance by the Environmental Health Department on such preventative measures as sanitary disposal of human feces, personal hygiene and use of safe water for cooking and drinking.

Attached for Members' information is a fact sheet on typhoid.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. W. McKEEVA BUSH:** Can the Honourable Member say, Mr. President, when these precautions were taken?

**HON. D. EZZARD MILLER:** The answer, Mr. President, is that the advisory sheet was distributed in late August and the water samples were taken in late September.

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Mr. President, can the Honourable Member say how often water samples are taken of the piped-water, both of Government and of the Cayman Water Company?

**HON. D. EZZARD MILLER:** I do not have that specific answer with me, Sir. I will undertake to get it and supply it to Members in writing.

**MR. PRESIDENT:** I believe that a similar question was asked about a year ago and there will be some information on record as of that time.

**MR. TRUMAN M. BODDEN:** I think also an undertaking was probably given, if my memory serves me correct, Sir.

**HON. D. EZZARD MILLER:** No, Sir, I do not think any undertaking was given. I think the Member was giving a specific answer at that time and while I do not want to stick my neck out, I think it was said at that time, that it was weekly.

**MR. PRESIDENT:** The next question, please.

**THE FIRST ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENTAL, RECREATION AND CULTURE**

**NO. 158:** Can the Honourable Member say if there are any problems currently experienced at the Cayman Turtle Farm which have affected the production of turtle meat for consumption?

**ANSWER:** There are no problems currently experienced at the Cayman Turtle Farm which has affected the production of turtle meat for consumption. As a consequence of the loss of turtles in the northwester of 24 December, 1989, processing of animals was reduced from 3,100 per annum to a current level of 2,700 per annum.

**SUPPLEMENTARY:**

**MR. PRESIDENT:** Supplementaries.

**MR. W. McKEEVA BUSH:** Mr. President, can the Honourable Member say whether arising from the problems with turtles there recently, if any of these were of the stock for slaughter?

**HON. D. EZZARD MILLER:** Not to my knowledge, Mr. President. I specifically asked and I was told not.

**MR. PRESIDENT:** No more supplementaries?

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE MEMBER RESPONSIBLE FOR INTERNAL AND EXTERNAL AFFAIRS**

**NO. 159:** Would the Honourable Member say if the employment contract of one of the doctors from Cayman Brac and Little Cayman had been terminated?

**ANSWER:** The answer is, no. The employment contract of one of the medical officers at the Faith Hospital expires on 31 December 1990, and will not be renewed.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. GILBERT A. McLEAN:** Mr. President, would the Honourable Member say if Government considers: a) not renewing a contract at its expiry date a termination of the contract; and b) if the doctor in question requested or gave an indication that he would wish to renew the contract?

**HON. J. LEMUEL HURLSTON:** Mr. President, there is a significant distinction to be made between the termination of a contract of employment as compared to the decision not to renew a contract upon expiry. The termination of a contract implies termination with or without cause given prior to its expiry.

The decision for non-renewal is a customary type of decision made between an employer and an employee. The employee on contract is obliged under the terms of that contract to signify six months prior to its expiry whether the contracted officer is desirous of being considered for a further tour of duty. That recommendation is then forwarded through the Department Head to the Public Service Commission, who makes recommendations to His Excellency the Governor.

That procedure was followed in this instance, as in all other

instances of a similar nature, and the decision was to not seek renewal of the contract.

**MR. GILBERT A. McLEAN:** Mr. President, would the Member say if the Government found something wrong with this doctor's professional ability and performance of his duty?

**MR. PRESIDENT:** I must intervene, I do not think it is an appropriate question, to go into an individual case in that way. The principle and the methods, by all means, but I think not the individual case.

**MR. GILBERT A. McLEAN:** Mr. President, would the Member say if he is aware that there is considerable unhappiness in the Brac due to the non-renewal of this doctor's contract and the renewal of the doctor which will be left?

**HON. J. LEMUEL HURLSTON:** Mr. President, I have had some limited representations made to me by Members of the public in Cayman Brac regarding this particular matter and I have assured such persons that there is nothing to be concerned about, and that the service at the hospital will continue to be unaffected and that a replacement will be found so that the services will not have to be reduced.

**MR. GILBERT A. McLEAN:** Will the Honourable Member say if it is not true that the non-renewal of the doctor's contract was as a direct result of personality conflicts between him and the doctor remaining?

**MR. PRESIDENT:** Again, I must intervene. That is going into what amounts to an allegation of a disciplinary context and it is inappropriate to pursue the individual case.

**MR. GILBERT A. McLEAN:** One last question Mr. President.

**MR. PRESIDENT:** Please.

**MR. GILBERT A. McLEAN:** Would the Honourable Member say if the idea of not renewing the doctor's contract was to allow for the doctor remaining to recruit a person from his own country to fill the second place?

**MR. PRESIDENT:** I think that is a hypothetical question. You are asking the Member to say what was in the mind of somebody who is not present.

**MR. GILBERT A. McLEAN:** Mr. President, I understood that certain recommendations were made to hire an English doctor.

**MR. PRESIDENT:** If you want to phrase the question in the way that... for example, did Government not renew the contract of a certain officer in order to recruit from another country? That would be an acceptable way of putting it. It still verges on hypothetical efforts.

**MR. GILBERT A. McLEAN:** I think, Mr. President, I would like to put it that way. Is it not true that the contract of the doctor was not renewed, so that a recruitment for a doctor could be made from the United Kingdom?

**HON. J. LEMUEL HURLSTON:** Mr. President, that is not the case, Sir.

**MR. PRESIDENT:** The First Elected Member for Cayman Brac and Little Cayman.

**CAPT. MABRY S. KIRKCONNELL:** Thank you Mr. President, a supplementary.  
Is the Honourable Member aware that on previous recruitments it sometimes had been difficult securing a doctor who was satisfied with residing in Cayman Brac? The concern of the people is that it may be difficult to replace him.

**HON. J. LEMUEL HURLSTON:** Yes, Mr. President, I am aware of that and so is the Government. The Government has considerable experience in recruiting staff and medical staff for Cayman Brac and that is very much a concern. Care is taken in the recruitment process to ensure that persons recruited will be suitable for residence on that Island.

**MR. PRESIDENT:** Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:** Mr. President, may I ask the Honourable Member if the Government's policy on recruitment makes any special recommendation for doctors from any particular country?

**HON. J. LEMUEL HURLSTON:** No, Mr. President. Each vacancy is filled on the basis of knowledge, of experience and skills required to do the job, and availability of those skills anywhere in the world. We are in the fortunate position of having the ability to advertise and recruit from anywhere in the world deemed

most appropriate to the individual case.

**MR. G. HAIG BODDEN:** Would the Honourable Member say whether that same care will be taken to see that the new doctor is in place to enable him to take over from the doctor that is going, so that there is not a gap left which could affect the population there?

**MR. PRESIDENT:** I think that question has already been answered.

**HON. J. LEMUUEL HURLSTON:** That is correct, Mr. President, every assurance has been given so that the service will not be disrupted.

**MR. PRESIDENT:** The next Question No. 160. The Second Elected Member for Cayman Brac and Little Cayman, please.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE MEMBER RESPONSIBLE FOR INTERNAL AND EXTERNAL AFFAIRS**

**NO. 160:** Would the Honourable Member say if any workers have been laid off since September 1990, from either the Central Funding Scheme, the Public Health or the Public Works Department, and if so, what has been the cause?

**QUESTION NO 160 DEFERRED**  
(Standing Order 23 (5))

**HON. J. LEMUUEL HURLSTON:** Mr. President, I have to beg leave of the House for a deferment to answer this question in terms of Standing Order 23(5).

**MR. PRESIDENT:** Thank you. Question number 161 then. The Second Elected Member for Cayman Brac and Little Cayman.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE.**

**NO. 161:** Would the Honourable Member say how many children below the age of 15 years have been suspended from schools in the Cayman Islands and what has Government provided as an alternative for their education since suspension?

**ANSWER:** The number of children below the age of 15 years who have been suspended from schools in the Cayman Islands are as follows:-

SCHOOLS	BOYS	GIRLS	TOTAL
Cayman Islands High School	78	17	95
Cayman Islands Middle School	37	9	46
Cayman Brac High School	2	0	2

Only 14 students were on long-term suspension by Education Council.

Six students attended the alternative education programme after normal school hours at Cayman Islands High School.

Three students did not attend the alternative programme because: one was transferred to a special school abroad by parents; one left to join relatives abroad and enrolled in an education programme there; one reached the age of 16 and was not eligible for compulsory education.

Three students were returned to mainstream education, one of whom was attached to the special unit at the Cayman Islands High School.

Of the six students enrolled in the special programme after school: one left to join his father abroad; two have since reached the age of 16; and three are waiting to be placed in the alternative education programme.

Additionally, there is one student from Cayman Brac High School waiting to be placed in the Bonaventure Home so that he can pursue the programme.

Another student of Middle School age who is potentially dangerous will be placed in the alternative education programme if Bonaventure Boys' Home will accept him. This student is a truant.

**SUPPLEMENTARIES:**

- MR. PRESIDENT:** Supplementaries.
- MR. GILBERT A. McLEAN:** Would the Honourable Member confirm that there have been no suspensions from the Primary Schools in the Islands?
- HON. BENSON O. EBANKS:** That is the information I have, Mr. President.
- MR. GILBERT A. McLEAN:** Would the Member say, if he is aware that there are a number of children suspended from schools in these Islands below the age of 15 years, who are not attending any school or receiving any education as the law requires?
- HON. BENSON O. EBANKS:** The only ones I have knowledge of are the ones which I have listed in this answer.
- MR. GILBERT A. McLEAN:** Can the Member say if there is any mechanism in the education system to keep track of students that are suspended from schools, other than the information which is contained in this answer?
- HON. BENSON O. EBANKS:** Yes, Mr. President, any child of school age has a record at the Education Department and the school, therefore, both the Education Department and the school would be familiar with whether the child is in school or not.
- MR. PRESIDENT:** The First Elected Member for Bodden Town.
- MR. ROY BODDEN:** Thank you Mr. President.  
I wonder if the Honourable Member could say if and how those students who are suspended, are able to catch up on work missed during their suspension?
- HON. BENSON O. EBANKS:** Mr. President, in the case of those that attended the special sessions given after school, there was an attempt to keep them as near as possible up to the normal standard. The Member must understand that these children are not the normal 'run-of-the-mill' children. They are children whose behavior was such that they were disruptive to the normal school system.
- MR. ROY BODDEN:** Mr. President, I wonder if the Honourable Member is saying that because their behavior is disruptive, that the system has written them off?
- HON. BENSON O. EBANKS:** No, Mr. President. That is not what I am saying. I am saying that we have done what we can, and we are attempting to do more to provide alternative means of education.
- MR. GILBERT A. McLEAN:** Mr. President, would the Honourable Member say if: a) Government assumes the responsibility under the Law for educating students when they are suspended and are within the age limits, as prescribed by Law; and b) if I give him a list of names of some children who are below the age of 15 and have been suspended for a few years, would he investigate it and attempt to do something about it?
- HON. BENSON O. EBANKS:** Certainly Mr. President, I would welcome the list which the Member says he can provide. With regards to Government accepting responsibility for these children, yes, and much has been attempted. We have gone as far as putting these children, on a one-to-one basis, for example, in such places as an office in the Tower Building, when we have exhausted all of our efforts within the school.
- MR. PRESIDENT:** Question No. 162.

**THE THIRD ELECTED MEMBER FOR GEORGE TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE**

- NO. 162:** Would the Honourable Member say when we may expect the report of the consultants on Cayman Airways Limited resulting from the February 1990 motion passed in this House?
- ANSWER:** Private Member's Motion No. 4/90 which recommended that the Standing Finance Committee consider and determine whether funds should be provided for the appointment of a consultant to examine Cayman Airways Limited was passed on 8 March 1990.
- The Finance Committee dealt with this matter at its meetings held on 27 April 1990, 25 May 1990, and 24 August 1990, on which date it approved the Terms of Reference for the study and the selected list of consultants to be invited to submit tenders.
- The matter was then referred to the Central Tenders Committee on 29 August 1990, and a

closure date for tenders was set for 31 October 1990. Tenders have now been received and are being processed in accordance with the established procedures of the Central Tenders Committee. It is expected that an award of tender will be made in the near future.

It therefore follows that the report of the consultants will most likely not be available until during the first quarter of 1991.

**MR. PRESIDENT:** There appears to be no supplementaries. In that case, the last question on today's paper No. 163. The Third Elected Member for George Town.

**THE THIRD ELECTED MEMBER FOR GEORGE TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS, WORKS AND AGRICULTURE**

**NO. 163:** Would the Honourable Member say what major road works were carried out in George Town in 1989?

**ANSWER:** In 1989 major road work in George Town included reconstruction of North Sound Road, parts of South Sound Road; junction improvements on Dorsey Drive at Owen Roberts Drive; new traffic signals at the junctions of Crewe Road and North Sound Way, Crewe Road and Shedden Road, Eastern Avenue and Harbour Drive, Shedden Road and South Church Street; shoulder improvements on the east side of West Bay Road; construction also started on the West Bay Road sidewalk project.

**HON. LINFORD A. PIERSON:** Mr. President, I am not sure whether the Member might have intended this question to relate to 1990. If so, I would be prepared to give him the answer.

**MR. TRUMAN M. BODDEN:** Mr. President, I am always happy to have further answers. I did specifically ask for 1989, and asked for major works, but it looks like he basically included everything.

**MR. PRESIDENT:** Well, the question is being answered then as to 1989. Supplementaries? If there are no supplementaries, we will suspend the proceedings for 15 minutes.

**AT 11:30 A.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 11:58 A.M.**

**MR. PRESIDENT:** Proceedings are resumed.  
Item 4 - Other Business. Continuation of the debate on Private Member's Motion No. 25/90. The Honourable Member for Tourism.

**OTHER BUSINESS**

**PRIVATE MEMBER'S MOTION**

**PRIVATE MEMBER'S MOTION NO. 25/90**

**SELECT COMMITTEE TO EXAMINE THE CONSTITUTION OF THE CAYMAN ISLANDS**

(Continuation of debate thereon)

**HON. W. NORMAN BODDEN:** Mr. President, I rise to support Private Member's Motion No. 25/90, calling for a Select Committee of all Elected Members of this Honourable House to be established for the purpose of examining the Constitution of the Cayman Islands.

As I understand, the process of examination on any recommended change regardless of how slight or how serious, must, in the final analysis, be the product of the procedure outlined in much detail in the Motion. I repeat in this House my understanding of the steps to be followed, as set out in items numbered (1) through (4) in the first resolve of the Motion.

First, the Select Committee of Elected Members is being established for the purpose of examining the present Constitution and formulating a position, hopefully unanimously, but, if not, of at least a majority which will be conveyed to the Constitutional Commissioners. Once the Commissioners have conducted their investigation and completed their report, it will be tabled in this House and referred to the Select Committee for its consideration. At this stage the Select Committee will invite representations from the general public and hear witnesses.

In this process, the Committee will also consider whether any



recommendations necessary for the conduct of a General Election should be implemented prior to a General Election. I think the Mover gave an example that: "In the event that an increase in the number of Elected Members were to be recommended and accepted, then this would have to be logically implemented prior to the General Election, in order to avoid the need for two elections having to be held close together." I believe this is a good example. Once the Committee has completed its deliberations, in whatever time-frame is considered necessary to complete its work, it will at that stage report to the House for full debate.

The Motion further recommends (and this is clearly understood and accepted) that the implementation of any recommendations for constitutional changes (with the exception of the one mentioned, and others that are similar which might be more of a procedural nature), will not take place without those recommended changes being the subject of a General Election. As the Mover rightly pointed out, this procedure first of all gives the Elected Members an opportunity to discuss and consider, in a timely and orderly fashion, the present Constitution of the Cayman Islands. It gives them the benefit of the knowledge and experience of the Constitutional Commissioners and their recommendations after they have spoken with the people and heard their preferences. It provides Members the opportunity to discuss the situation with the people in light of the Commissioners' Report and any other related matters. Finally, it gives Elected Members the means of reporting back to the House to hold an open debate on any recommendations being made, accepted or rejected.

I fully agree with the Mover, and other Members who have spoken before me, that the general public must be given a free hand and afforded every opportunity to make their wishes known to the Constitutional Commissioners, as well as to the Select Committee consisting of all Elected Members who are the representatives of the people. None of us, I am certain, would want to be party to any process that denies this right.

I also agree that any move to major change must be tested at the polls, for the polls must remain, in my opinion, the power to remove. This must remain our chosen path.

The Constitution of the Cayman Islands is, in my opinion, the most important and valuable document of our country, and any study and examination of it must bear equal importance. I accept that politics are politics, but I maintain that if there is any single item on which there should be complete harmony in this House, it is on such an exercise or project dealing with the Constitution.

The public, who elected us to serve, expects this and certainly they deserve no less. So I was especially pleased when the dialogue and discussion, as explained by the Second Elected Member for Cayman Brac and Little Cayman and the Mover of this Motion, took place through an approach from the Member for Communications. To me it was encouraging and refreshing for the twelve Elected Members to meet in a cordial and pleasant atmosphere, and I must say in a spirit of close cooperation, to discuss the original draft Motion. The end product of those discussions is, of course, the Motion now before this House being debated.

In his presentation the Mover of the Motion very eloquently and carefully explained the concerns that both sides of this House had before our meetings, which I have referred to. And while I know and believe that differences of opinions will always exist among us, perhaps it is a maturing process that is taking place. I would like to believe that this two-year-old House has come of age; has come into its own. I know that the country would be pleased if this can, in truth and in fact, be the case.

All Members believe that whatever document emerges, as a result of this exercise, must be one which will serve this country faithfully and well, and far into the future - perhaps, long after many of us have vacated our seats in these hallowed halls. It must be a document that will wisely, safely, carefully and competently direct the future course of these Islands, and further enhance the quality of life for all who live here.

We believe that, because of the highly important nature very rightly attached to this exercise, the procedure as outlined in this Motion is the proper, practical and sensible way in which to approach this matter. Accordingly, on behalf of the Government I am pleased to accept Private Member's Motion No. 25/90, and I congratulate the Second Elected Member for Cayman Brac and Little Cayman for bringing it.

I am looking forward to working on the Committee with all Honourable Members and if we can achieve the goals set for ourselves, I believe that we will be fully discharging our duty as responsible representatives of the people of the Cayman Islands. Thank you, Mr. President.

**MR. PRESIDENT:**

The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:**

Mr. President, I support this Motion moved by the Second Elected Member for Cayman Brac and Little Cayman who set out in some depth the position around it. I would only like to deal with a few areas.

What is paramount in a matter as serious as a constitutional change is the fact that it should, in the final analysis, be the decision of the people of this country. Each Member who spoke before stated, directly or indirectly, that this is the most important thing that will happen in these Islands until the Constitution is looked at again. Therefore, it is most important that the procedure to achieve this, and the wishes of the people of this country, be one that is fully democratic and one that is effectively carried out within a reasonable period of time.

There are differences between the position in 1972 and now; basically, the fact that there was much more discussion and a Select Committee did sit during that period, whereas, at present (as the Motion clearly sets out) Constitutional review was not a campaign issue in the last General Election, nor was it publicly debated during the last General Election. Therefore, the process of how we finally achieve amendments to the Constitution has to be carried out very carefully and very fully.

It is important that the public and we, as Members representing

the public involve them as far as possible, and it is important that their wishes be made known to the Commissioners and to ourselves as time goes on. The Motion itself sets out in some detail the procedure to be carried out, as Members have mentioned, and in accordance with the requests of the Foreign and Commonwealth Office, we would not be soliciting any input to the Select Committee until after the Commissioners arrive and report.

However, it does leave me with one concern. Our initial input as Members of this House, of which I was very happy to see in cooperation with the Government in bringing this Motion, may well be an initial or preliminary view that goes on to the Commissioners. We could well find at the end of the day, after the sitting of the Select Committee, that the public may not necessarily want everything that is recommended at this time. I feel it is in the best interest of these Islands that the procedure we have set out be followed. Naturally, whatever is recommended by the twelve Elected Members will be carefully considered. However, in relation to my views, the ultimate has to be what the people themselves want.

The time period for getting the public involved is one that I believe the Commissioners handled wisely by calling for written submissions wherever possible. This will give them more time to consider these prior to coming here, and I think that is a good idea. They will thus have a better feel for things at an earlier stage, after which they will sit and undertake to ensure that the time is sufficient for anyone who wishes to make representation to be heard. That, too, is important. The people should feel that they have had a full hearing (within reason, naturally) before the Commissioners and, in due course, when this Select Committee sits to hear the public, that they have a right to come there and to look their Member straight in the eye and make statements or ask questions. I think that personal contact is one of the best ways that we as Members will get a feel of what the public wants.

Choosing a Select Committee is the best method. We have to accept the fact that (in George Town, at least) when we hold public meetings the turn-out is disappointing. At times there may be 100 to 200 people, and I appreciate their coming. But when dealing with several thousand, I believe that the Select Committee after the Commissioners have reported, will be one of the best ways of actually being able to discuss these important matters with the public.

Perhaps the most important part of this Motion is the last operative part where it states:

"AND BE IT FURTHER RESOLVED that this Honourable House recommends that the implementation of any recommendations for Constitutional changes with the exception of the paragraph numbered 3 above shall not take place without the changes being the subject of a General Election."

What is accepted, and what can be brought in before, is recommendations for the conduct of a General Election. I think that is necessary, and I support it in this form: What it does bring out is the democratic process of the people having the last say. This is fully entrenched (at least from the point of view of the Elected Members, with the request to the Foreign and Commonwealth Office) that the people have the ultimate say in a General Election. I believe that was very much strengthened by a statement that you, Mr. President, made on 25 July 1990, at 6 p.m. You said:

"It appears to me, and I may be wrong, that from what some Members have been saying there is some anxiety that if there is a constitutional review, and that if as a result of the Report, for instance, the United Kingdom Government thought that changes were necessary, such changes could not, in my opinion - and I think I can say this quite clearly - be brought forward and implemented before a General Election."

You went on to say, Sir:

"Perhaps, I should repeat that. If there is a constitutional commission and a report, and if as a result of that report the United Kingdom Government believed that there were some changes that were necessary, I am absolutely certain that these changes would not be proposed by the United Kingdom Government or implemented without them being the subject of a campaign and a General Election. I hope I have made this clear. I think it does need to be made clear. This is not an anxiety which I think any of us should feel."

Naturally, this Motion confirms our agreement with the Governor's view on that matter and, indeed, the Foreign and Commonwealth's view on it.

The period of time has to be ample for the people to have fully dealt with any recommendations. On the other hand, it has to be done within a reasonable time because the mere question of a constitutional review hanging over the heads of the financial sector in this country has to have certain anxieties being raised among them. Those anxieties are less important perhaps - or, I know they are - than the right of the people to have a full hearing, but I guess what I am saying is that we need to take enough time to make sure that it is properly done. On the other hand, we have to bear in mind that uncertainties in this area could have an impact on the views of investors in this country.

The First Elected Member for West Bay mentioned that the Constitution is only as good as the Members of Government who operate it, and that is a true principle throughout. Similarly, the way that the procedure is set up will only be as good as we ourselves and the Commission who deal

with our respective parts; operate it.

It was good, on this very important matter, to see a united Legislature. Because this matter is so important, I believe that if the people of this country make a mistake in any way with this Constitution, whatever they do the effects are going to be felt and we must live with them for a long time. It is perhaps a pity that other important matters, the Budget, for example, could not have been discussed in a similar atmosphere. That is, perhaps, something to think about for the future or for other Budgets.

I have certain personal views on the Constitution. However, I have an overriding duty to represent my people. As a lawyer I have learned to counsel and to give advice, but I have also learned to take instructions. At some stage I will have to weigh my own personal views against the views of the people, if there is a serious conflict, and at that stage settle what course I will take. However, I do understand my duty - it is to represent my people. Whatever they wish to have done, I will see to the best of my ability that it is carried out.

I would hope that this Motion (which I believe is perhaps the most important part of this constitutional review - it is nearly more important than what finally is recommended) has set a proper democratic process whereby the people, in the ultimate stage, will have a say through a General Election to accept or to reject what the Commissioners or what we think is best for the country. I believe that is all that we, as Legislators, can do - that is, to see that the proper process is carried out. We can counsel our people, but in the end we must accept whatever recommendations we feel a majority of our people wish to have implemented, and that duty I would endeavor to carry out.

Thank You.

**MR. PRESIDENT:**

The First Elected Member for Cayman Brac and Little Cayman.

**CAPT. MABRY S. KIRKCONNELL:**

Thank you, Mr. President.

I rise to support Private Member's Motion No. 25/90, the Select Committee to examine the Constitution of the Cayman Islands.

I am very happy to say that, from previous speakers' remarks, it is my opinion that this Motion will be accepted unanimously by all the Elected Members of this Honourable House and I feel it should be. I am grateful that the 12 of us had the opportunity of discussing this at length, and to have come up with what we all believe are the best possible working arrangements to enable us to get the best results when the Constitutional Commissioners arrive. I am very grateful that our mother country has seen fit to appoint the Constitutional Commissioners who will be arriving here early next year and certainly we, as the Elected representatives, want to do our part. It is clearly set out in the Motion, Mr. President, that the first goal of our Select Committee will be to examine the present Constitution in light of Members experience in working with it, and to formulate a submission to the Constitutional Commissioners.

I would like to say to all the listening audience that we are simply making our recommendations to the Constitutional Commissioners, and as representatives we will certainly take your views at a later stage. I would like to encourage as much of the public as possible to give their views to the Commissioners and to support this entire review. Secondly, it will be the duty of the Select Committee to consider the Report of the Constitutional Commissioners once it is tabled in the Legislative Assembly and to invite representations, and hear witnesses thereon. Once the Constitutional Commissioner's Report is tabled in this Honourable House, it will be my intention to take it to the public forum in my district, and I feel confident all other Members will do the same. Here, the public will have the opportunity of seeing what has been proposed, to agree to them or to submit other recommendations. It is their privilege and they are requested to give this information to us.

Thirdly, the duties of the Select Committee will be to consider whether any recommendations necessary for the conduct of a General Election should be implemented prior to a General Election. I think that has been clearly explained by previous speakers and I will not elaborate further on that.

We, as the Elected Members representing our respective districts, have needs within our districts. I would like to very clearly state that I do not now, and will never, support any desire for independence, because I think everything is against this small country ever having those aspirations. I would like to quell the fears of anyone who might think that this is the intention of the constitutional review.

Like everything else in the Cayman Islands, we have been fortunate with the very rapid growth. Twenty years ago Legislators met in Select Committee to deal with a constitutional review and came up with a very important document, the most important document that any country has. It was a good document, but today we are looking at it, not necessarily to make changes, but to see if there are any changes necessary and, if so, what these changes are. We will support, if necessary by a majority opinion, these changes to be implemented in a new or revised Constitution.

I am one of the representatives of the two smaller Islands, Cayman Brac and Little Cayman. The Constitutional Commissioner, the Lord Earl of Oxford and Asquith in his remarks pointed out, and I would like to quote him:

"A last point to be mentioned here is the special position of the Island of Cayman Brac. Situated nearly 100 miles from Grand Cayman and containing some 10 per cent of the total population, its inhabitants have a strongly marked collective personality. Conservative by temperament and largely contented with the present Constitution, they tend nevertheless to feel somewhat neglected and deprived of their fair share in the fruits of the colony's prosperity. The Island is represented in the Legislative Assembly by two Elected Members

and they would like one of these to have the right to membership of the Executive Council if the Council was to be enlarged."

I feel that speaks for the views today as well, but this will be a topic when the Select Committee goes into further deliberations.

In conclusion, I would like again to thank all Honourable Members for their very cooperative spirit, each expressing, in the meetings, that we had to discuss this Motion. I look forward to this continued spirit.

Thank you Mr. President.

**MR. PRESIDENT:**

Does any other Member wish to speak? I well realise that this is a non-partisan or non-Government, non-Backbenchers' Motion. It is a House Motion, but as I understand it, the Honourable Member for Tourism has spoken for the Government.

Does any other Member wish to speak? I wanted to make that clear in case Members were waiting.

reply?

If no other Member wishes to speak, would the Mover wish to

**MR. GILBERT A. McLEAN:**

Thank you Mr. President.

I wish to thank the Members who have spoken on this Motion and to thank all Elected Members generally, for the way in which we, in arriving at this Motion, were able to collectively discuss and come to a conclusion. I think that it admonishes us that it can be done, even though in principle we have differing views on the methods and the means of achieving our different political goals or objectives.

This Motion, as has been stated by just about all of the speakers, is, indeed, one that will bring about a Select Committee to deal with a very important issue, perhaps the most important issue that can be dealt with in any country. I believe that we all understand the importance of this. There is no doubt in my mind that we will deliberate in a fashion as the Motion sets out. At the end of the day we will arrive at a conclusion, as best as we humanly can, taking into account the various opinions.

I would but comment on one point which I did not develop to any extent yesterday when I moved the Motion. It has been raised by at least two speakers today. It is that initially the Committee will be expected to meet to discuss the views of Members, so that these can be brought to the Commissioners before they leave the Islands. Whether or not those views have to be modified or changed after the Commissioner's Report is available and after we have taken witnesses from the public is another matter, but we, at least, will initially be called upon to present to the Commissioners a submission of our own.

I think that the whole matter relating to this Select Committee has been well aired and expressed by all Members who have spoken, and I believe that we have a consensus among Members. I only have left to say thank you to all Members, and I look forward to a unanimous vote and the acceptance of this Motion.

Thank You.

**MR. PRESIDENT:**  
Motion No. 25/90.

The question will now be put, therefore, on Private Member's

**QUESTION PUT:      AGREED.      PRIVATE MEMBER'S MOTION NO. 25/90 PASSED UNANIMOUSLY.**

**MR. PRESIDENT:**

I wonder whether Members would agree that we might take lunch a little early, or would you like to go on in the next six or seven minutes for the next item. You would like to go ahead? We have a divided House. At least it is only divided about lunch. Well, perhaps we can compromise and resume at 2 o'clock.

Proceedings are suspended until 2 o'clock.

**AT 12:27 P.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 2:07 P.M.**

**APPOINTMENT OF CHAIRMAN  
FOR SELECT COMMITTEE TO REVIEW THE CONSTITUTION  
(STANDING ORDER 69(2))**

**MR. PRESIDENT:**

Proceedings of the House are resumed.

Before we go on to Private Member's Motion No. 26/90, I should just like to inform Members, I believe with the full agreement of the House, that the Chairman of the Select Committee to be formed under the Motion passed just before lunch, that I would appoint the Honourable Member for Tourism to be the Chairman under Standing Order 69(2).

**PRIVATE MEMBER'S MOTION NO. 26/90 AS AMENDED  
MORATORIUM ON NEW LIQUOR LICENCES  
AND AMENDMENT TO THE MUSIC AND DANCING LAW**

**MR. PRESIDENT:** Private Member's Motion No. 26/90. Before we proceed on that, I would just like to be sure that all of the Members have before them the amended version circulated just before lunch. Under Standing Order 24(7), that version is now before the House.  
The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:** Mr. President, I beg to move, and I am pleased to move, the following amended Motion which stands in my name, and reads as follows:

"WHEREAS Liquor Licences are considered an important element in the economy of the Cayman Islands;

AND WHEREAS it is considered that there are already too many Liquor Licences for our small community;

BE IT THEREFORE RESOLVED THAT Government consider amending the Liquor licensing Law (Law 8 of 1985) to impose a moratorium of three years on the granting of new liquor licences with the exception of new hotels and restaurants."

**CAPT. MABRY S. KIRKCONNELL:** Mr. President, I beg to second the Motion.

**MR. PRESIDENT:** Private Member's Motion No. 26/90 has been duly Moved and Seconded. Would the Mover wish to speak to it?

**MR. W. McKEEVA BUSH:** Mr. President, this Motion is one which I have given a great amount of thought. After a great deal of soul-searching and a good amount of wise advice, I am prepared to go ahead and ask the House to vote on the three year moratorium on the granting of liquor licenses with the exception of new hotels and restaurants only.

It is my considered opinion that there are enough licensed premises of all kinds to service our small population, and a moratorium on these licenses will hurt no one. The House should take note that the proposed moratorium does not extend to new hotels and restaurants. As it stands today, there is a moratorium on hotels in the West Bay beach area. That moratorium, put on by this House in February this year, does not extend, for instance, to the districts.

This Motion then follows that move in that if a hotel was being built in East End, this proposed moratorium would not have any effect on it. So, this Motion will not inhibit growth in any way in the districts, which the building of a hotel would assist. There has been some misgiving of this Motion by the *Caymanian Compass* which warrants a brief explanation on my part, if the House would allow.

As far as businesses are concerned, there is a lot of competition in these Islands. Some would say too much competition for 99 per cent of the businesses. When we look around, there have been many business licences granted, allowed without, I presume, counting the consequences in a small territory like the Cayman Islands. It might be well-argued that this is the price of free enterprise. Sure, a lot of competition is good in a country with a large population, plenty of competition is supposed to bring the prices down, but this has not really materialised in these Islands. On every street corner if you find one boutique, or one restaurant, you will find three more.

The fall-out from that is we hear of very small profits, if any, in some businesses. And you can believe that there are a lot of businesses in this country hurting seriously today. I do not buy the argument propagated recently, nor should the public at large expect, that a moratorium would be put on business ventures in general. I doubt the Government would support any call for such. I believe, personally, that a protectionist attitude should be encouraged in some areas for several reasons. Reasons which I doubt I would have the scope to go into at this time.

Nevertheless, the Motion before the House deals with a moratorium on new licenses. Beside the fact that there are already enough, or maybe too many, places selling liquor, either retail or in packages, as far as consumption is concerned, I have every reason to believe that there are too many and I say it is a good reason to put in place a moratorium.

The Motion before the House, as I said, only seeks to put a moratorium for three years on the granting of new liquor licenses with the exception of new hotels and restaurants. I go no further, although I originally had other ideas, but, as I said, after much soul-searching, I have always been

guided by my conscience and a gut-feeling, even if some people make fun of that it has not failed me yet, I believe I stand in good stead today with the Motion I am Moving. The other Motion that was Moved, I believe, could be looked at another time, but as for now I am asking the House to approve the resolution before us.  
Thank you.

**MR. PRESIDENT:**

The First Elected Member for Cayman Brac and Little Cayman.

**CAPT. MABRY S. KIRKCONNELL:**

Mr. President, as the Seconder of this Motion, naturally I support it. I feel it is necessary that we look at the granting of licences for the sale of intoxicating beverages. It is more essential in small areas, maybe, than in, say, metropolitan George Town, but, in particular, throughout the districts it is becoming a problem.

I think we must all realise and consider that alcohol is a drug. Alcohol is a drug that has given us a most serious problem. It is the most widely used drug, although it is not an illegal drug, because it is legal - it is imported legally and it is sold at prescribed hours in accordance with regulations. Nevertheless, it has damaging effects. It is habit forming, people become addicted to it, become alcoholics, and it does tend to destroy an individual.

I think the most damaging, of all of the liquor licences granted, and the one that I, in particular, am glad to see a moratorium placed on, is the common retail establishment. I sympathise with people who are addicted to alcohol. I realise many of them would like to shake it off, but it is not that easy. As a result of their habit and so many licensed establishments, they go from one to the other, running up bills. At the end of the week in order to ensure credit for their habit, which is very important to them, they find all of their weekly earnings have been paid out to bar bills and there is nothing left for the needs of the family. This is a disturbing situation and it is not getting any better.

I think we, as elected representatives of our people, have a moral obligation to the community to try to improve the living standards. I have heard people say that this is the beginning of Government or the legislators trying to control different types of business. Let me hasten to say that a Trade and Business Licence to operate a business, and a Liquor Licence are two different things entirely.

If liquor had not been considered a special character having damaging effects, there would not be prescribed hours, neither would there be special licences for the quantities which can be sold, nor would certain days for religious and other purposes, be prohibited. Therefore, the community and the Government in past years have recognised the damaging effects of liquor on our community, and that is why liquor licensing regulations were established in the first place.

In asking that a moratorium be established on the granting of further liquor licensing, we are not saying anything about free commerce. We have no intention, in any way, of asking that the granting of Trade and Business Licences be changed, that is a different ball game completely. We are simply looking at this as something that will help eliminate the abuse of alcohol, the abuse and destruction of our youth and our adults and provide and maintain a better community.

Thank you, Mr. President.

**MR. PRESIDENT:**

The Honourable Third Official Member.

**HON. J. LEMUEL HURLSTON:**

Mr. President, I rise to offer a contribution to the debate on Private Member's Motion No. 26/90, a Moratorium on New Liquor Licences.

The Liquor Licensing Law was last comprehensively reviewed in 1985. At that time there had been some experience in the administration of previous Legislation and this new Law took account of that experience, and was enacted by the Legislature with some thought of it having the capability of serving the country adequately for a number of years.

Minor amendments have had to be made, but, by and large, many of the principle provisions have remained unchanged. The Islands are divided into two districts, each district having a separate Board with a Chairman, a Deputy Chairman and a number of members. The Law charges these boards with the responsibility of examining applications, examining the character of the applicants, their business acumen and further, examining the proposed premises and location of properties with a view to being satisfied that the dispensation, distribution and sale of alcoholic beverages will fulfill certain basic criteria.

First, it presupposes that properties will be located in such geographical locations as to serve the public. Secondly, it presupposes that the licensees and operators of these premises will be sufficiently competent to detect when an individual is under-age, has had too much to drink, or is in any way unsuitable to be served alcoholic beverages.

The Legislation, therefore, is predicated on the basis that once a licensee has passed the test and has proven to be competent to administer the spirit and intent of the licence, that the licensed premises will be operated in a safe business-like and efficient manner in full accordance with the provisions of the Law.

The Liquor Licensing Board of Cayman Brac is currently chaired by the District Commissioner who has been appointed acting-Chairman. I believe there are a total of about thirteen liquor licences in that jurisdiction. The Board of Grand Cayman is currently under my Chairmanship (for my sins) and we have in Grand Cayman a total 154 licenced premises. These licenced premises cover a variety of categories. The Law makes provisions for seven different categories of licences.

Let us extract the simpler ones first, for instance, the category referred to as Temporary Licences. This category is used generally to grant occasional authorisations when a recognised public function is being held and the promoters and organisers of that function do not themselves

benefit from the proceeds of the sale of alcohol. This is when temporary licences or occasional authorisations are used. Temporary licences can also be used between regular meetings of the Board when sufficient cause has been shown to the satisfaction of the respective Chairmen. But let us remove the temporary and look at the remaining six categories. Of those six categories, there are currently 67 Retail Licences; 23 Package Licences; 24 Hotel Licences; 11 Distributor Licences; 16 Beer and Wine Licences; and 13 Restaurant Licences, for a total of 154 licences.

Let us look, secondly, at the geographical distribution of these licences. Forty-one per cent of the licences are located in the Seven Mile Beach/West Bay peninsula area. That is a total of 63 licences. Forty-three per cent, or 67 licences, are located in the George Town area, extending to Red Bay area, and 16 per cent, or 24 licences, are in the Eastern/East End and North Side districts.

The statistics will indicate that in the last five years, the retail category has grown from 60 licences in 1986, to 67 licences in 1990. A total net increase of seven new retail licences in five years. On the other hand, hotel licences increased from 15 licences in 1986, to 24 licences in 1990. Restaurant licences increased from 4 licences in 1986, to 13 licences in 1990. Package licences remained stable at 23. Distributors licences remained fairly stable at 12. Wine and beer licences moved a little bit from 10 in 1986, to 16 in 1990.

It will be seen, therefore, that the areas and categories of greatest activity and increase have been in the hotel and restaurant categories, with the obvious explanation being that the licences have reflected the expansion we have had in the hospitality industry.

The Government is not averse to considering the proposition in the resolution. That is, to consider whether the Law should be amended to impose a moratorium of three years on the granting of new licences with the exception of hotels and restaurants. Providing it is understood that the acceptance of the Motion itself carries with it no obligation as to the outcome of the consideration which will be given to the matter. The matter is not merely one of a decision to be taken in isolation as to whether there are too many licenced premises already in existence or not. There are other reservations and concerns which must be taken into account.

The Mover of the Motion, quite rightly advanced the point, that one has to be cautious whenever treading on the area of protectionism. Let me just review briefly the information which the Law presently requires applicants to submit in support of applications. Section 12 of the Liquor Licensing Law 1985, says, and I quote:

- "12. (1) Every person desiring to obtain a new licence other than a temporary licence or to vary an existing licence shall, at least twenty-one days before a licensing session is due to be held, make application in writing in the Form provided in the Schedule to the Chairman of the appropriate Board specifying -
- (a) the category of licence desired;
  - (b) full details of the premises in respect of which the application is made indicating a plan;
  - (c) the name and age of the applicant;
  - (d) the proposed specified hours; and
  - (e) such other relevant information as the applicant desires to impart to the Board."

That is a section on which we should perhaps focus. There is a requirement for applicants for new licences to be present and attend the public meetings at which the application is being considered. Generally speaking, applicants appear before the Board and speak either on their own behalf or have an attorney speak on their behalf to give the Board as full an account and justification of the reasons in support of their applications, as is considered proper.

The Board, taking all factors into consideration, deliberates in private and tries to arrive at its decision. Its decision is often very agonising and problematic because the members of the Boards are themselves very conscious of the need to restrict, insofar as is reasonable, the total number of licences in operation. That is not the primary function or purpose of the Board, and the Board must be cautious in how it discharges its responsibility in regard to the total number of licences in operation.

The Board must have regard for public demand, public service. There is one important provision which is rarely used, and that is the provision contained in section 17 of the Law, where any member of the public who, upon serving seven days notice, may appear before a Board and speak in objection to the grant of any licence which may be on the Board's agenda.

This is where the public has an opportunity to make their views known. I have only been Chairman for the past four years, but even in that four year period I can recollect a number of public spirited individuals appearing before the Board of which I was Chairman, expressing the view that the Board should be very cautious in the granting of new licences. There were a number of persons who were famous for appearing before the Board and letting their pleas be heard. I am sorry to say that with the passing on of some of these citizens, such public appearances seem to be diminishing.

I have to state categorically that the Government does have some reservations about moratoriums generally, because moratoriums have the effect, sometimes, of creating false-economies. It is true that if you restrict one category, the unrestricted category suddenly finds itself rising in popularity. Governments, in the past, have found that where restrictions have been placed on liquor licences, liquor licences have generally become high in premium and have become economic targets for persons with vast economic resources with the consequence that when something is scarce in supply, the price for the demand increases. One has to be calculating, therefore, in reviewing the question of moratoriums, their impact and effect, so that one is certain, at the end of the review, of the most likely outcome.

In order to undertake such a review, it is the view of the Government that perhaps some degree of public sounding may be appropriate, inasmuch as a moratorium of this sort has the potential of affecting the growth and expansion of some Caymanian entrepreneurship.

Let me just explain a little further, what the retail category of licences generally cover. We used to think of retail licences as being ordinary barroom licences, but the retail category of licences has now been used for a variety of applications including, but not limited to, party boats catering to the hospitality industry on the water; licences to clubs, such as sporting clubs; licences for institutions, such as theaters, and so on. When one thinks of a retail licence, one is no longer narrowly thinking of a bar licence.

The impact, therefore, on the economy in terms of a moratorium on those kinds of licences ought to be, in my humble view, carefully considered. I do not wish to go into any more detail of the concerns at this point, but it has to be re-emphasised that if the moratorium is going to have a desirable and worthwhile effect, then one should support it. If, on the other hand, it is going to have a damaging and unwarranted effect, one really ought to leave one's mind open for reconsideration.

I trust I have not created any offense in my candor and I hope that it will be clearly understood that the acceptance by Government of Motion 26/90, is an acceptance of a responsibility to carefully consider and review the matter, and to report its findings as quickly as possible. I thank you, Sir.

**MR. PRESIDENT:**  
Member for George Town.

Does any other Member wish to speak? The Third Elected

**MR. TRUMAN M. BODDEN:**

Mr. President, I support this Motion in the form that it is now in.

Some years ago I also, as far as I can remember, supported something similar to this. We found from experience, while it had certain effects that were detrimental, the good effects out-weighed the detrimental ones.

It must surely be the responsibility of every good citizen to attempt, where there appears to be a situation that we are getting excess liquor licences on the Island, to put a temporary hold on them which must be for the overall benefit of the community as I see it. I do believe that we will find that when this does come into effect, but, by the sound of Government, I am not too certain what will happen because the Member speaking left himself wide open as to what Government may do, it should be looked at carefully. The only thing I can say about moratoriums is that it is unfortunate Government did not look as carefully when they placed the one on hotels, some time ago, with regard to our present economic conditions, but there, perhaps, the similarities stop.

Obviously, liquor is something that has detrimental effects on a society, and I believe that it has to be looked at from the point of view that curbing the number of licences, hopefully, would reduce the amount of drinking as much as possible. I know there are no direct statistics to say that a reduction in bars means a reduction in drinking necessarily, but, at least, there has to be a better effect than having an increase in such premises.

I think it is very important that a good hard look is made by Government on this. I think the Mover of this Motion was quite brave because normally, any debate on liquor licensing sparks a considerable amount of controversy, as I remember it in the past anyway, but so far it appears that not much of that controversy will be around this Motion.

I take the point in general principle that when one applies the brakes one has to do so very cautiously. But I am happier to apply the brakes to the reduction of liquor licences than I would be to anything which is good and would hurt the economy. Like I said, there has to be a way in between the detriment and the benefits, but I am fully satisfied that this Motion, which deals with a moratorium on new liquor licences, has to be for the social, spiritual and overall benefit of the Cayman Islands. Thank you.

**MR. PRESIDENT:**  
apply?

If no other Member wishes to speak, would the Mover wish to

**MR. W. McKEEVA BUSH:**

Thank you, Mr. President.

I wish to thank those Members who rose in support of the Resolution. I do not know what to make of the Government's commitment on this Resolution. Certainly a lot of statistics were brought out to make their case of non-committal look good.

I noted the Member's remarks that the Motion only asks to consider and that he says this is not to mean that Government has to do it. I would remind him that there was an undertaking given, and I trust that the Government will do as much soul-searching on the granting of any new licences as I have done on the other part of the Motion which was withdrawn.

The Member, in his remarks, said when something is scarce in demand there is a high premium placed on it. That might be true, but there is nothing scarce about liquor licences



or licensed premises in this country. One Member said some time ago that Government had licenced every lamp-post in the country. I do not know if that is quite the case, but, certainly, there is ample room for anybody who is presently in our resident population or in the tourist population to get a drink if they want one, and there is nothing cheap about it, either. So, regarding what I hear coming from the Member, I doubt if we are going to get anything done.

I do not know what damaging or unworthy effect this Resolution would have, as the Member who made the remark did not say what he saw as a damaging effect. The Member also made a remark about the protectionist attitude. What I did say, was that a protectionist attitude should be encouraged in some areas. I make no apologies for that. However, I can tell you one area in which our local people have been severely hurt. This bears no relevance to the Motion at hand, but to the overall picture of what I am trying to do, it says a lot.

When you look at the tourist trade of North Sound, which was originally the small Caymanian plying those waters and doing a trade there, what has happened? We have allowed the larger hotels, and so on, to come in and do their own business and we have found that the small man cannot get that business anymore because the hotels themselves cater to those guests. That is just one of the problems that we are faced with when we allow too many business licences that are not in the best interest of our local people. This is only one aspect of it. The other aspect, is consumption.

I really had to smile when the Member spoke of Government's commitment to moratoriums. If we want to find a classic commitment to moratoriums, we should look at our Economic Development Plan which said that there is a moratorium on the entry of new institutions to conduct such retail businesses for fear that the system may be over-banked (they were talking about 'A-class' licences), resulting in a sharp fall in the profitability and, therefore, the stability of existing institutions. It is all right to put a moratorium on 'A-class' licences; the Royal Bank, the Barclay's Bank, the Cayman National Bank, but when it comes to the small business-man, let him overflow with business. Business must take care of itself. Who are they fooling Mr. President? Who are they fooling? I say no more except that it is time we looked at some protectionist attitude for our people - and if that means the liquor licences, so be it. As I said, I doubt that we are going to get what we ask for, but I hope that when Government discusses it, they will do as much soul-searching as I have done on it. Thank you Sir.

**MR. PRESIDENT:**

I will put the question on Private Members Motion No. 26/90.

**QUESTION PUT: AYES**

**CAPT. MABRY S. KIRKCONNELL:**

Mr. President, could I have a division?

**MR. PRESIDENT:**

Yes. Madam Clerk.

**CLERK:**

**DIVISION NO. 39/90**

**AYES: 11**

**NOES: 0**

Hon. Woodward L. Terry  
 Hon. Richard W. Ground  
 Hon. J. Lemuel Hurlston  
 Hon. W. Norman Bodden  
 Hon. Benson O. Ebanks  
 Hon. D. Ezzard Miller  
 Hon. Linford A. Pearson  
 Mr. McKeeva Bush  
 Mr. Truman M. Bodden  
 Capt. Mabry S. Kirkconnell  
 Mr. G. Haig Bodden

**ABSENT**

Mr. John D. Jefferson, Jr.  
 Mr. Gilbert A. McLean  
 Mr. Roy Bodden  
 Mr. John B. McLean

**AMENDED PRIVATE MEMBER'S MOTION NO. 26/90 PASSED UNANIMOUSLY.**

**MR. PRESIDENT:**

Thank you, that confirms the voices.  
 Item 5, Government Business. Bills. Third Reading.

**GOVERNMENT BUSINESS****BILLS****THIRD READING****THE NOTARIES PUBLIC (AMENDMENT) BILL, 1990**

**CLERK:** The Notaries Public (Amendment) Bill, 1990.

**HON. RICHARD W. GROUND:** Mr. President, I move that the Notaries Public (Amendment) Bill, 1990, be now read the third time and passed.

**MR. PRESIDENT:** The question is that the Bill entitled, The Notaries Public (Amendment) Bill, 1990, be given its Third Reading and do pass?

**QUESTION PUT:** **AGREED. THE NOTARIES PUBLIC (AMENDMENT) BILL, 1990, GIVEN A THIRD READING AND PASSED.**

**MR. PRESIDENT:** We have now reached the end of the Business on the Order Paper.

**MR. W. McKEEVA BUSH:** Mr. President, seeing that we have so much time left, I am wondering whether the Government is ready with the Firearms (Amendment) Bill or, failing that, whether we could move on with the Budget debate. We do have one and a half hours left.

**MR. PRESIDENT:** I think it would be most usual to bring forward something which the House already agreed should be taken starting tomorrow morning, but on the other question, the Firearms Bill, if Members do wish to take it... and if the Member in charge of the Bill is ready, it is perfectly all right with the Chair.

**HON. J. LEMUEL HURLSTON:** Mr. President, subject to the House agreeing to the suspension of Standing Orders to enable the notice period to be waived, I am content to go ahead with the Firearms (Amendment) Bill.

**MR. PRESIDENT:** Does any Member not feel comfortable with this? We do have to have a Motion to suspend Standing Orders, of course, and it is so unusual that if any Member is genuinely not comfortable and would wish the time, I feel we should observe that.

**SUSPENSION OF STANDING ORDER 46 (1)**

**MR. W. McKEEVA BUSH:** Mr. President, I would move the suspension.

**MR. PRESIDENT:** Well, actually I would like to know which Standing Order it is, to be precise.

**HON. J. LEMUEL HURLSTON:** Mr. President, I believe the Standing Order in question is Standing Order 46(1).

**MR. PRESIDENT:** The question is that Standing Order 46(1) be suspended in order that the Second Reading of the Firearms (Amendment) Bill be taken.

**QUESTION PUT:** **AGREED. STANDING ORDER 46(1) SUSPENDED TO ENABLE THE SECOND READING OF THE FIREARMS (AMENDMENT) BILL TO BE TAKEN.**

**MR. PRESIDENT:** Bills, Second Reading. The Honourable Third Official Member.

**SECOND READING****THE FIREARMS (AMENDMENT) BILL, 1990**

**CLERK:** The Firearms (Amendment) Bill, 1990.

**MR. PRESIDENT:** Thank you.

**HON. J. LEMUEL HURLSTON:** Mr. President, I beg to Move the Second Reading of a Bill For A Law To Amend The Firearms Law (Revised). The text of this Bill was circulated to Members on 7th November, 1990, and I am grateful to the House for agreeing to waive the further notice period in order to enable its introduction this afternoon.

This Bill seeks to amend the Firearms Law (Revised) so as to enhance its effectiveness and its administration. Clause 2 of the Bill seeks to make a fundamental change in the Law by deleting from its provisions the form of licence previously described as 'Firearm User's (General) Licence'. This form of licence has not been used for some years and, in any event, is considered now to be too broad in its application, as it would allow for the use of a firearm without restriction anywhere in the Islands.

Clause 3 of the Bill seeks to amend section 19 of the principal Law, to 'tighten up' on its existing provisions, first, by laying down a six-month period from the date of the grant of permission to import a firearm as the time within which such importation must take place. Secondly, it seeks to fix a similar period of time in the case of Export Permits. The remaining minor changes simply adjust and make the necessary consequential adjustments to that section.

Clause 4 of the Bill seeks to amend section 21 of the principal Law, to provide that a licence shall be issued only after the appropriate authority is satisfied that the prescribed fee has been made.

Clause 7 seeks to remove from the principal Law the necessity for fees to be prescribed in the Law reserving those for regulations instead.

Clause 8 of the Bill seeks to amend section 27 of the Law to 'streamline' its provisions relating to changes in ownership or address of the holder of firearm licences. It also sets a penalty for failure to comply.

Clause 9 seeks to amend section 35(1) of the principal Law by removing the prescription of fees to be paid for licences and permits, and reserving those for prescription by Regulations instead.

Clause 10 seeks to amend section 36(2) of the principal Law, to insert the word 'Restricted' in place of the previous word 'General', in respect of those categories of licences.

Clause 11, the final clause in this Bill, seeks to include in its provisions the staff of the Customs Department, Customs Officers, to be exempted from the requirements of the Law, when engaged in their duties as Customs Officers. Other officers already exempted under that Section were members of the Armed Forces of Her Majesty, members of the Royal Cayman Islands Police Force, members of the Prison Service, and to that list is now being added members of the Customs Department.

Those are the principal amendments being proposed, Sir, and I might simply address a few words to something that was being considered to be included in this Bill, for the avoidance of doubt, and will, perhaps, come in the form of another amendment early in the New Year. That is a provision in respect of 'power-hammers' which are capable of being driven by an explosive bullet and which weapon, by strict interpretation, is already regarded as a firearm. These power-hammers, I am told, are fired by a bullet that is equivalent to a .22 calibre bullet, the only difference being that the pellet is removed and the explosion occurs in the cartridge itself, causing the power-hammer to be discharged. There are some administrative considerations that need to be tidied up with respect to how best to regulate the licensing and control of such power-hammers, and once that has been agreed, perhaps Members will have been given a bit of notice that that is a further amendment which may be coming forward in the near future.

I understand and appreciate that some Members have some reservations about certain provisions in this Bill. I hope that I will be able to clarify those concerns when speaking to the conclusion of this debate. For the time being, therefore, I am content to commit this Bill in its present form to the House for debate. Thank you.

**MR. PRESIDENT:** The question is that The Firearms (Amendment) Bill, 1990, be given a Second Reading. The Motion is open for debate.

The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Thank you Mr. President.

I rise to speak on the Government Motion, The Firearms (Amendment) Bill, 1990. In doing so, I must express considerable reservations about what appears to me to be a general alarmist's attitude by Government over permitting citizens in this country to have firearms, and, moreover, as to how they may be held and what type of licences they must have, and so on.

Possession of a firearm, from the time that I can recall, has been something that is very much the part of Caymanian life. To my knowledge, they were mostly shotguns, and hunting has been a considerable part of life in this country. It is less so now, as the swamps are falling into the hands of the dredgers, hence, there are hardly any places left for the bird population. As well, the rabbit population as we know

it, has been considerably reduced in that human beings are now living in areas usually inhabited by them.

However, on the point of view of owning a firearm, I, personally (and I speak for a lot of people in this country), believe that the Government, this Government, or any Government, should get away from the attitude that the best thing that can be done with a firearm is not to have one. Or, if you do have one, to restrict it so that it really makes the owner wonder why he has it in the first place.

Various amendments have been made to the Firearms Law over the years. We have heard the Mover say that there is likely to be another amendment made to it and, certainly, while I can agree with some of the amendments in this Bill, I am certain that anything I might say would not persuade anyone to make any changes therein. Therefore, generally, I will not vote for this amendment when it comes to the vote being taken.

I would like to comment on a few of the proposed changes. In Clause 3 there is the section, to 'tighten up' the existing provisions and paragraph (a) seeks to lay down a period of six months from the date of the grant of permission to import a firearm, and that is something new to the best of my knowledge.

I myself have owned firearms and have imported them. Normally, when you got a licence to import you were told by the police officer who issued it on behalf of the Commissioner of Police, that if it was not imported within the period of 12 months, you had to go back to get another licence issued to you. It is now being reduced, apparently, at least in practice that I am aware of, to six months. On this I would say, and I have inquired in very recent times, that most people when they ordered a gun or a shotgun, whatever, it was from Miami, being the nearest point to us, it takes an extremely long period of time to go through the process of getting a gun, unlike what it used to be years ago, and I think we know the reason why. They have tightened up, not because of licenced honest citizens in the State of Florida using guns inappropriately, but because the guns have fallen into the hands of bad citizens and people who do not have licences for them. So, one might take six months just to find one of the States, if they chose to buy a gun there, to get all the paper work in order.

Export permits: I have only known of them to be used when a gun has been damaged and was being sent out of the country. I do not know, all in all, what that might cover or what the intention is, really.

Paragraph (c) seeks to leave it up to the licensing authority, who is the Commissioner of Police, to impose what he may consider necessary restrictions. I contend that if restrictions are felt to be necessary, that those restrictions should be set down in the Law and I have serious concerns about any Law made by any authority when it comes down to one individual having at their discretion to do as they think best.

The section dealing with the prescribed fee, I do not really have a problem with that being allowed into the Regulations, only to say that I would trust that the fees would not be raised to a point so high that most people would be barred, through the fees, from possessing a gun. Although, I would say at this stage, fees now, relative to fees in other instances, are quite low.

I think there is some merit in changing the licensing period so that everyone does not have to licence a gun on 1st January, but that it is staggered. Another clause, Clause 8, speaks about 'streamlining' the changes in ownership or the address of a holder of a firearm licence. I think this is very severe and it bears out to what I am saying, in that there are elements in this society that would make it a gun-less society, I believe. Because, if I am reading it correctly, there is a wish to change section 27 to the point that if a person owns a gun and is living at Crewe Road and he changes his address to live in Prospect, that, by not giving notice of his change of address and so on, he can find himself with a fine of up to \$400, or up to 30 days in jail.

As I have stated, I believe it is practical. I believe it is carrying on a tradition in the Cayman Islands that law-abiding citizens, persons who can be accepted as law-abiding for purposes of hunting, or for purposes of defence of life and property, should be allowed to have a firearm. It is also well known that the police in any society cannot defend every citizen at any given time against a criminal who might be attacking them with a firearm, or some other weapon, to do them harm.

I believe that this amendment, and others, have been inspired to some extent by many tales or rumours that one hears of there being illegal guns in this country; and I am the first to say that I have heard many such stories. I am also prepared to say that I believe some of these stories are indeed so, and if the type of weapons that I hear about are in the hands of persons unauthorised to have them, then there is a concern to be held by every member of the public and, certainly, the Government.

The point I wish to make is that the amendment to this Law that is making it tougher on the honest citizens who have firearms, has no bearing whatsoever on those who do not have firearm licences in the first place, or those who have access to firearms, or who use them illegally to commit crimes in whatever fashion and in whatever place. What I think is appropriate, in looking at amending this Law, is to look at a comprehensive Firearms Law, not a piece-meal one; one that could be thought out properly in a Select Committee, for example. One where the views of all the farmers, sportsmen, and everyone else could be taken into account. One where we could learn from other societies who believe that it is right to possess a firearm, and so on. Amendments and changes to the Firearms Law, such as have been made, could be better served if a more comprehensive position were taken on it.

It should not be difficult for anyone to know that I am one of those persons who believes in the right to have and to bear arms on one's property, in defence of life and property, and that Laws should be reasonable and not made so hard that the only people who really can possess firearms and use them unchecked, are those who are not authorised in the first place, to have them.

With amendments such as these to the Firearms Law, I am also

cognisant of the fact that countries where oppressive Governments, and Governments which are totalitarian and are dictatorships, try and survive where the citizens are unarmed, or firearms are limited to a very few in that society.

Having said that, while I agree with some sections of these amendments, there are approximately three that bother me considerably, therefore, I will cast my vote against the amendment.

**MR. PRESIDENT:**  
Proceedings are suspended for 15 minutes.

This will be a convenient moment to take the break, I think.

### AT 3:25 P.M. THE HOUSE SUSPENDED

### HOUSE RESUMED AT 3:55 P.M.

**MR. PRESIDENT:** Proceedings are resumed on the Second Reading of The Firearms (Amendment) Bill. The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Mr. President, this Bill has several good points that I agree with, but it also has at least two that I do not agree with. I basically have no problem with the areas where amendments are being made to certain parts to tighten up areas of the Law, areas dealing with the staggering of licensing periods are good, as well as areas such as change of ownership.

Sections that cause some worry are in relation, firstly, to the area where it seeks to remove totally the general licences. What worries me here is that there should be a residuary power in the event, and I have been told by the Member that none have been issued for a long time, but if there is sufficient control there now, then I feel it should lay as an emergency power in the event that it was ever needed. I also believe that, from the practical point of view in relation to the import of firearms, which would not arise often, I would expect that perhaps 12 months instead of six is a more practical period. I do understand the position relating to the issuing of general licences from the Member, and at least it was good that even if minds did not meet on this, we were able to talk about it. Even though this is never used these days, I do believe that one never knows when it may be necessary for this to be used, and it has been in the Law for a very long time.

I would just like to deal with one area... and I say this: While I object to the other two, I agree with the other eight amendments that are in the Law. We had a choice on this, whether to vote for and state our exceptions or to vote against and state our exceptions, and in this case I will vote against it because of those two areas that I do not agree with, but I do agree with 80 per cent of the balance of the Bill.

I would like to deal with one area that concerns me a bit. We saw with the police a movement of drugs from the user towards the supplier. I do believe that a similar policy should be looked at in the police with an effort to get the supplier of any illegal guns (which the police must believe there is some since we have an amnesty on). Perhaps more effort should now be put in trying to stop the illegal importation of guns, especially if they are the more dangerous, prohibited guns under the Law. Perhaps the heavy sentences that are placed on people who may have a few shots around the house or something, that they may have forgotten about many years ago, that if an effort is put into ensuring that the country is free of unlicensed firearms by catching suppliers, this is what I would like to see more effort made by the police.

I draw the analogy with drugs because in the early days a lot of effort was really... and during the time I prosecuted I will admit, directed more towards what was not the main problem at the time, the man in the street, as against the people who were the suppliers. I do not really know what statistics there are and I do not know what, perhaps, the worry was with the amnesty that was put on, but there must have been some belief that perhaps we may be affected by the possibility of a lot of illegal firearms. I guess that while we have tightened the Law in many areas in relation to the importation of other substances, regardless of what they are, it would be good if specific moves were made. And perhaps the police have been specifically trying to find suppliers, but if there could be an increase in the effort to find any firearms, especially the heavy firearms that may be coming into the country via planes and sea-going vessels. I realise that this is not an easy task, but it is one that I think is important because as we continue to restrict and, basically, partially disarm the population the duty of the police becomes heavier and heavier to ensure...

**MR. PRESIDENT:** I am not quite sure what this has to do with the merits and principles of the Bill and the debate. I do think you are getting a long way away from it.

**MR. TRUMAN M. BODDEN:** Mr. President, if I may just explain, then I will go on. We were dealing with licences, and the Law deals with penalties for unlicensed firearms...

**MR. PRESIDENT:** That is quite right. But you have been repeating yourself four times on the question of alleged importation of illegal weapons.

**MR. TRUMAN M. BODDEN:** Very well, Sir, I will sit.

**MR. PRESIDENT:** Does any other Member wish to speak? The First Elected

Member for Bodden Town.

**MR. ROY BODDEN:**

Thank you Mr. President.

Any wise Government is well within its realm to be concerned about the regulating of firearms in the society. With that in mind, I would say this Bill is a sound one. However, there are some things which I have difficulties with. As I represent a constituency where for many years the people were farmers and accustomed to hunting, many of them still own shotguns for the purpose of controlling the pests, vermin and game which prey on their crops, I have to express these concerns.

As I understand it now, in the Law the category of General Licences is no longer a valid, or a used category, although it remains in the Law. Therefore, I would have to voice my objection to having this removed. The logic being, if someone has a licence to use a firearm for hunting, it is often the case that the person hunts in wide geographical areas, hence it may be necessary at some stage to consider. In addition to that, there may come a time when the Government may see fit, whether it be on a limited basis, exceptional cases, or whatever, to issue general licences to an individual or individuals. So, I would be happy to see the reference to the General Licence remaining as it is in the Law now, so that if the necessity arises, the Government authorities can use their discretion in issuing such licences.

I would also like to say that one of the problems I have with this kind of legislation is that what frequently happens is the guns are taken away from the law-abiding and law-respecting citizens, and left in the hands of the criminal subculture, thus making the task of policing and law enforcement more difficult. This is the fear I have with this type of legislation and I would hate to see this happen in the Cayman Islands. I share the concern of the Government about the danger that firearms can be, the hazards they pose, and the penchant for committing of serious crimes with firearms. By the same token, I would not feel completely at ease if a law-abiding citizen, and the people who seek licences to own firearms for protection of persons and property, are in any way inconvenienced or discomforted because of the extreme difficulty or impossibility in obtaining such a licence.

I believe that in the Cayman Islands we can, without too much difficulty, control this. From my experience, once one obtains a licence to purchase a gun, more than likely the purchasing point will be some place in the United States, one has to go through some background checks. I understand, since I had the experience, that it is even tighter now. One has to wait up to 30 days. The application is sent to Washington, followed by a further wait. That will allow the people who have legal and responsible ideas and objectives, to obtain a firearm. That will allow them sufficient time and will also allow the Government enough time since the licences first have to be approved by the authorities here. Then, from my experience, they are checked and vetted by the persons from whom one purchases the gun in Miami.

I would also like to say, purely from a historical and sociological point of view, that quite often the crimes which are being perpetrated are not, for the most part, committed by licenced firearms but by the unlicensed ones in the hands of criminals. Therefore, let me then say that if the problem of unlicensed firearms exists, we will have to equip our social control agencies to take possession of these guns. However, I do not think that can be done by penalising those people who have law-abiding and law-respecting intentions.

I believe that to a certain extent if we are concerned about this, then something that we discussed here yesterday afternoon will come into play, whereby responsible citizens could watch for any guns in their community or neighborhood and ensure that they are licenced, or if they have doubts, could call in the information in to the relevant authorities.

In conclusion, I would like to say that while I share the Government's concern, I will have to do a 'Miss Duncan', and vote against this because I do not feel comfortable and I do not feel that these proposed amendments and changes would be in the best interest of law-abiding citizens.

**MR. PRESIDENT:**

The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:**

Mr. President, a bumper-sticker that was quite ubiquitous some time recently in the United States said: "When guns are outlawed, only outlaws will have guns". We have to be careful that we do not make the possession of a gun so difficult, that honest and responsible citizens will no longer apply for licences and, hence, find ourselves in a position where only the criminal element will have guns.

I am of the belief that any honest, responsible, citizen who owns a business or has a house or property to protect should have a gun if he cares to have it. I do not think the police have encountered any real difficulties with crimes being committed with licenced weapons. I think they have more problems with unlicensed guns. I notice in the Memorandum, and in the introduction of the Bill by the Member, that he said the Firearm User's General Licence has not been used, or has not been issued, for some years. There is a reason for this. That reason is, the licensing authority, being the Commissioner of Police, has not been granting this type of licence, and hence nobody now applies for it.

I am totally against leaving the appropriate authority to impose restrictions which he may feel necessary. If there are to be restrictions on any particular category of licences, I believe those restrictions should be clear, well-defined, and written in the Law. Also, I am totally against the removal of fees from the Law and putting them into Regulations. We can see what has happened recently where, in my opinion, fees have been imposed on the post office boxes, and hospital charges that are unreasonable. I dare say this would not have happened if those fees had been controlled by Law rather than by Regulations which are made by Executive Council.

I notice in the newspaper this week an article that said that no

guns had yet been turned into the Police Department or any Minister of Religion, as the result of the amnesty which has been granted. I believe that if there is any amendment necessary to the Firearms Law, the amendment should be directed more towards getting control of the unlicensed guns, rather than, as this Bill says in its Memorandum, attempting to 'tighten up' the provisions for the licensed guns. So, I will have to vote against this Bill.

**MR. PRESIDENT:** Does any other Member wish to speak? The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:** Mr. President, I cannot support this Bill as it stands. There are many areas that have already been mentioned and I do not intend to take the time to go through it. Nevertheless, I would say that I am in support, generally, of what has been said. I would say that I do not, for one minute, advocate the usage of guns across the board, I, myself, not having used a gun in my life.

However, there are business people who need licences and need the protection of a gun who in the past have had problems in getting a licence, or, if they had one, it had many restrictions imposed upon it. I cannot think for one minute why a businessman if he has a business is not allowed to use a gun or carry a gun, for instance, when he is making a bank deposit. I do not need to say that the crime rate is high. We know that. We have evidence of bank robberies in broad daylight. I believe it is high time that we take a look at those kinds of situations. This Law does not seem to be doing anything about that at all. As far as I am concerned, there are just more restrictions on the honest person.

I do not know whether the amnesty is working, but I believe, and it seems that the Government believes or they would not have proposed an amnesty, that there are a lot of illegal firearms in this country. Every so often you hear about so many coming into the country and where they are coming from. I do not know whether the amnesty is the right way to go. If a criminal has a firearm, do you, for one minute, believe that criminal is going to walk up to anybody and say, "Here, my good sir, here is my firearm"?

**MR. PRESIDENT:** I am not quite sure what the amnesty has to do with the merits and principles of the Bill.

**MR. W. McKEEVA BUSH:** Mr. President we are dealing with firearms, and as far as I am concerned, there is not much merit to the Bill but I will stick to the Motion of the Bill as close as I can and say that I think we are here, again, imposing restrictions on our people.

I doubt that what I have been asking for, ever since being a Member of this House has been even taken into consideration, that is, that we get a democratic, a proper licensing authority other than the Commissioner of Police. I see no reason why we cannot set up a properly constituted Board headed by the Commissioner, if you may, or his Deputy to issue licences. To have one person solely in charge leaves a lot of speculation, a lot of problems, and more complaints. I feel that a properly constituted Board appointed by the Governor in Counsel is absolutely necessary because we are dealing with a mighty dangerous thing, a firearm.

I say no more. I will not support the Bill as it stands. I might table an amendment, if I find I can, to constitute that authority as I see it. Thank you Sir.

**MR. PRESIDENT:** If no other Member wishes to speak would the Mover wish to apply?

**HON. J. LEMUEL HURLSTON:** Mr. President, I would like to thank Members for their contribution to the debate on this Second Reading of the Bill. There are a number of points to which I will try to respond, though a number of them are a little wider than the original scope and intent of the Bill. There seems to be some concern as to the Members' perception of what is too restrictive and what needs to be more liberal.

May I commence by saying, though not in possession of the latest available statistics, it is true to say that there are currently in existence in excess of 800 valid firearm licences in the Cayman Islands. To suggest that this is too little is debatable.

**MR. W. McKEEVA BUSH:** On a point of information, if the Member would. Can he say whether this amount is for the Gun Club or whether it is for the citizens?

**HON. J. LEMUEL HURLSTON:** Mr. President, tomorrow morning, perhaps if the House is still on this subject, I could introduce the statistics to break down the composition of the classes of individuals who hold licences. I can assure the Member that the majority are held by individual citizens; farmers, hunters, target shooters, sportsmen and the like.

There seems to be too, a general view, a misconception perhaps, that the possession of a licenced firearm is in some way a licence to use it in some mysterious form of protection of person and property. It is my understanding that the possession of a licence for a firearm, even those issued years ago under the General category, were not licences that protected the licensee from any offense which may be committed with that firearm. Indeed, there have been cases of prosecution of persons who have improperly used licenced firearms. One has to be abundantly clear in understanding that the regulation of licences is one thing; the commission of offenses is a totally separate issue.

The view has been expressed that certain restrictions are inconveniencing licence-holders and that these restrictions are somewhat discomfoting. I would like to assure the House that from the perspective of the police, the intention is the opposite. The intention is to make it abundantly

clear what the restrictions mean and in the case of other provisions, it is attempted to be absolutely clear as to what maximum period is considered reasonable for this stated purpose.

Let me just quote one instance in this Bill, where, in fact, the Bill is liberalising some of the restrictions that are currently in the Law.

Clause 3 of the Bill seeks to amend section 19 of the Law in a number of ways. One of the proposed subsections of section 19, is subsection (f). That is a subsection, which, at the moment, places certain restrictions that have proven a little difficult at times to comply with.

For example, subsection (f) states:

"a Firearm User's (Restricted) Licence, authorising the holder thereof, subject to the provisions of section 17 of this Law, to be in possession of the firearm specified in such licence -

- (i) upon any premises owned or occupied by the holder thereof and such portion of any public road as passes through any premises; and
- (ii) upon such other premises as may be specified in the licence and such portion of any public road as passes through any such premises so specified."

That subsection (f) in this Bill is being deleted so that those restrictions will no longer necessarily be applied if they are not considered appropriate. And in place of those, the licensing authority is being giving a more general latitude to place appropriate restrictions on licences for hunting and the like.

**MR. PRESIDENT:**  
half-past four.

Would that be a convenient moment to stop? We are now over

**HON. J. LEMUEL HURLSTON:**

Yes, thank you, Sir.

### **ADJOURNMENT**

**HON. THOMAS C. JEFFERSON:**  
House until 10 o'clock tomorrow morning.

Mr. President, I move the adjournment of this Honourable

**MR. PRESIDENT:**  
until 10 o'clock tomorrow morning.  
against No.

The question is that this Honourable House do now adjourn  
I shall put the question. Those in favour please say Aye...Those

**AYES.**

**MR. PRESIDENT:**  
tomorrow morning at 10 o'clock.

The Ayes have it. The House is accordingly adjourned until

**AT 4:33 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M. FRIDAY, 16TH NOVEMBER, 1990.**



**FRIDAY  
16 NOVEMBER 1990  
10:07 A.M.**

**MR. PRESIDENT:**

Prayers by the Honourable Third Official Member.

**PRAYERS**

**HON. J. LEMUEL HURLSTON:**

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 we may be enabled faithfully to perform the responsible duties of our 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 the light of His countenance upon us and give us peace now and always. Amen.

**MR. PRESIDENT:**

Proceedings of the Assembly are resumed. Questions. The

First Elected Member from Bodden Town please, No. 164.

**QUESTIONS TO HONOURABLE MEMBERS**

**THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE**

**NO. 164:** Can the Honourable Member say if the National Achievement Test has been standardized and validated?

**ANSWER:** The National Achievement Test (NAT) has not been standardised in the same measure as the well known Scholastic Aptitude Test (SAT) or other similar tests.

The NAT is an objective - referenced test, i.e. the test is referenced to specific objectives of the language arts, mathematics, science and social studies curricular guides of the Primary Schools.

A test is valid when it measures what it says it does. The NAT seeks to measure pupil achievement based on the objectives established for the subject areas of language arts, mathematics, science and social studies at the junior levels in the Primary School.

The tests were developed by the Education Advisors of the Education Department in collaboration with teachers; they are based on the set curricula; they have content validity and therefore they are validated.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:**

Supplementaries.

**MR. ROY BODDEN:**

Thank you, Mr. President.

It is my understanding that standardisation and validation go together. In the absence of standardisation, can the Member say how it can be claimed that these tests are valid and indeed do measure what they are designed to measure?

**HON. BENSON O. EBANKS:**

Mr. President, my understanding is different. Standardisation is a process by which tests are related to norms. The students are tested against those norms. Validation is entirely different.

**MR. ROY BODDEN:** I would like to ask the Honourable Member through you, Mr. President, if he is claiming that these tests are the most accurate and effective methods of measurement for these children?

**HON. BENSON O. EBANKS:** Certainly not, Mr. President. I am not claiming that, I am merely stating the facts as they are. In fact these tests are again a subject for review under the ongoing Education sector review.

**MR. PRESIDENT:** The next question please, the First Elected Member for Bodden Town, No. 165.

**THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE**

**NO. 165:** Would the honourable Member say: a) how many pupils at the Cayman Islands High School sat external exams this past school year? b) what was the total number of students whose ages would have made them eligible to sit external exams?

**ANSWER:** (a) In the academic year 1989-1990, 294 students in the fifth year sat external examinations. In the lower sixth year, 42 students sat external examinations and in the upper sixth year, 39 students sat external examinations. This would make a total of 375 students who sat external examinations.

(b) There is no age qualification to the external examinations sat by our students. Thus, 13 year olds could do GCSE or even advanced level if they were considered sufficiently prepared.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. ROY BODDEN:** Thank you, Mr. President. I would like to ask the Honourable Member to explain what is meant by sufficiently prepared?

**HON. BENSON O. EBANKS:** If they had completed the course of works set for the examinations, if they had completed the curricula.

**MR. ROY BODDEN:** Thank you, Mr. President. I would now like to ask the Honourable Member, since age is not a criteria what is the number of children who in the past year did not sit the exam because they were considered not sufficiently prepared?

**HON. BENSON O. EBANKS:** Mr. President, out of a possible 384 students, 375 sat external examinations. In other words, nine students only who were eligible did not sit external examination.

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Mr. President, I would like to ask the Member if he would just refresh our memory as to the number of them that passed? I think it was some 97 per cent out of those that sat this.

**MR. PRESIDENT:** Would you care to repeat the question?

**HON. BENSON O. EBANKS:** That information, Sir, is contained in the long written answer which I gave a few days ago.

**MR. PRESIDENT:** That is why I said would you repeat the question? I do not think it was quite that, was it?

**MR. TRUMAN M. BODDEN:** I 'will just put that in another slant. Is it a fact that practically nobody fails the present exams?

**HON. BENSON O. EBANKS:** If you are referring to the GCSE, down to Grade G is considered a pass mark. Below that is regarded as a failure.

**MR. PRESIDENT:** First Elected Member for Bodden Town.

**MR. ROY BODDEN:**

Thank you, Mr. President.

I would like to ask the Honourable Member then, am I to understand that every student prior to leaving the high school gets at least one shot at these external exams?

**HON. BENSON O. EBANKS:**

Mr. President, that is a very broad question. It would appear to me that all of the 384 children were intended to sit the external exam last year. The nine, I am not sure whether it was due to illness or absence.

**MR. PRESIDENT:**

Cayman.

The Second Elected Member for Cayman Brac and Little

**MR. GILBERT A. McLEAN:**

First Elected Member for Bodden Town.

Mr. President, a follow up to the question that was put by the

go through the high school system without being able to take an external exam? What qualifying experience do they undergo?

Is the Member saying or is he not prepared to say that students

**HON. BENSON O. EBANKS:**

No, Mr. President, for the last several years with the introduction of the Certificate of Education in addition to the GCSE examinations, just about every child has an opportunity to sit one or the other.

**MR. PRESIDENT:**

Town.

Question No. 166, please, the First Elected Member for Bodden

**THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE**

**NO. 166:** Would the honourable Member say what extra-curricular activities are presently offered at the Government Middle and High Schools?

**ANSWER:** At the Cayman Islands High School extra-curricular activities take place in the context of the following clubs and activity groups:-

General

1. Key Club
2. Spanish Club
3. Business Club
4. Focus
5. Chess Club
6. Dance Club
7. Aerobics
8. Steel Band
9. Concert Band
10. School Choir
11. Drama Club
12. Art/Photography Club
13. Astronomy Club
14. Helping Hands
15. Magazine Publications
16. Duke of Edinburgh Awards Scheme
17. Stamp Club
18. Sign Language Club

19. Debating Club
20. Computer Club (5 nights per week)
21. Youth to Youth
22. Peer Counselling

Sports Club  
and house Activities

1. Football
2. Basketball
3. Swimming
4. Athletics
5. Volleyball
6. Badminton
7. Squash
8. Cricket
9. Softball
10. Quizzes
11. Netball

At the Cayman Islands Middle School extra-curricular activities are provided in the context of the following clubs and activity groups:-

1. Spanish Club
2. Football
3. Badminton
4. Dancing
5. Netball
6. Christian Fellowship
7. Girl Guides.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:**

Supplementaries.

**MR. ROY BODDEN:**

Thank you, Mr. President.

I would like to ask the Honourable Member, at the Cayman Islands High School what is the total enrollment of students for all these clubs and what percentage of the school population does that represent?

**HON. BENSON O. EBANKS:**

Mr. President, the information I have is that hundreds of children partake in these activities. No registers of attendance are kept so the actual numbers are difficult to estimate.

**MR. ROY BODDEN:**

Thank you, Mr. President.

I would now like to ask the Honourable Member if he could say how many times per week these clubs meet on the average?

**HON. BENSON O. EBANKS:**

I cannot give the answer in the case of every club, Mr. President, but they meet on an average of several times a week. For example, the Computer Club meets five nights. The Duke of Edinburgh Awards Scheme, as Members know, is an ongoing thing done to a scheme. So that would be done at the instructors pace.

**MR. ROY BODDEN:**

I would also like to ask the Honourable Member if these clubs are structured in a hierarchical fashion whereas they have presidents, secretaries, treasurers etcetera?

**HON. BENSON O. EBANKS:**

To the best of my knowledge, Mr. President.

**MR. ROY BODDEN:**

Then, Mr. President, I would like to ask the Honourable Member how is it that no records of membership are kept?

**HON. BENSON O. EBANKS:**

Mr. President, I am not in a position to answer that. It is an extra-curricular activity and much of this is operated by the students themselves with supervision from teachers and in some instances outside agencies.

**MR. ROY BODDEN:**

Thank you very much, Mr. President. Is the Member then saying that these clubs are operating in a haphazard fashion with no intent to develop and train the students in responsibilities and leadership techniques which are a carry over from their actual school lessons?

**HON. BENSON O. EBANKS:**

No, Sir, I am not saying that.

**MR. ROY BODDEN:**

Thank you, Mr. President. Well, I would like to find out from the Member what is the exact purpose of these clubs?

**HON. BENSON O. EBANKS:**

Mr. President, they are extra-curricular activities organised for the benefit of the students. I cannot go further than to say or give him any more than the information which I have and that is that no register of attendance is kept but that it is known that hundreds of children participate.

**MR. PRESIDENT:**

The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:**

Would the Honourable Member, since it appears that the various activities and clubs are not properly organised, undertake to ensure that the supervising personnel, the teachers or whomever is in charge of these, see to it that some records are kept so that these activities could be evaluated?

**HON. BENSON O. EBANKS:**

Mr. President, I did not say that these were not organised. The Member must realise that these are voluntary. Children are not forced to attend and because of transportation problems or other commitments, a student might not attend on a given day. It would be impossible to impose conditions such as are imposed in other clubs where you lose membership, for example, for non-attendance.

**MR. ROY BODDEN:**

Thank you, Mr. President.

Is the Honourable Member then saying that if a student, for example, is desirous of joining the Camera Club and because his bus comes at a specific hour and that hour is such that he will not be able to participate in the activities of that club, then that student is denied the privilege of joining the club?

**HON. BENSON O. EBANKS:**

Mr. President, that would be unlikely to occur on each occasion. From each district late buses are arranged at least for some evenings of the week, if not every one. That was why I made the point that attendance can fluctuate depending on when the club meets.

**MR. PRESIDENT:**

I think we should move onto the next question, No. 167, the First Elected Member for West Bay.

**FIRST ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS WORKS AND AGRICULTURE**

**NO. 167:** Would the honourable Member say: a) whether prior approval was obtained from the Central Planning Authority for the recent importation of mobile homes into these islands; b) why and for whom was approval given; and c) what is Government's policy on the importation of such homes?

**ANSWER:** a) No approval was recently granted by the Central Planning Authority for the importation of mobile homes into the Cayman Islands.

b) While no approval was granted by the Central Planning Authority for the importation of mobile homes, permission was granted under section 10(3)(c) of the Customs Law to allow Ellesmere Britannia a temporary permit to import a mobile construction office into the Island, with the understanding that the structure would be exported or destroyed on completion of the project.

c) The Government's policy on the importation of mobile homes is that they are only granted planning permission for siting in agricultural areas engaged in a bona-fide agricultural undertaking.

**MR. PRESIDENT:** There appear to be no supplementaries. 168, please, the Third Elected Member for West Bay.

**THE THIRD ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE**

**NO. 168:** Would the Honourable Member say what is the status of plans by Cayman Airways Limited to acquire a third jet and what will be the cost of this acquisition?

**ANSWER:** A lease/purchase agreement between Cayman Airways Limited and International Leasing Finance Corporation of the United States of America for another Boeing 737-400, was executed on 30 October 1990. The aircraft is due to be delivered to Cayman Airways in January 1992. The monthly lease cost will be US\$316,000.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. JOHN D. JEFFERSON, JR.:** Supplementary, Mr. President. What is the proposed lease term?

**HON. W. NORMAN BODDEN:** The proposed lease term would be a total of 20 years.

**MR. PRESIDENT:** The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:** Can the Honourable Member say, Mr. President, what studies were done to arrive at this conclusion?

**HON. W. NORMAN BODDEN:** Mr. President, the company had an outside organisation which did a study for them and based on that study, the recommendation was made by the company to the Portfolio.

**MR. PRESIDENT:** The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Would the Honourable Member say, in the light of the fact that there are now two 737s leased by Cayman Airways at approximately \$600,000 per month which cannot be ably met, how is it that the company could undertake to lease a third aircraft without clear indications of there being some sure way of seeing profit in the company?

**HON. W. NORMAN BODDEN:** First of all, the commitments which Cayman Airways has for the present two 737-400s, are being met on a timely basis. As regards to the second part of the question, any business regardless of its nature has to base decisions on assumptions and projections and based on the projections which have been prepared by the consultants and accepted by the company as being fair and reasonable, it is expected that the additional traffic and revenue accruing from a proposed three plane operation will enable the company to meet its financial commitments.

**MR. GILBERT A. McLEAN:** Would the Honourable Member say if Cayman Airways has paid any monies to International Leasing Financial Cooperation of the United States and if so, how much?

**HON. W. NORMAN BODDEN:** So far, Mr. President, \$200,000 has been paid towards a

security deposit. The total in fact is \$700,000 and is being paid over a period of time with the final payment being made in January 1992, when the company takes delivery of the aircraft.

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Mr. President, would the Honourable Member say whether it is not a fact that over 20 years the cost under the lease purchase would be \$75,840,000 and would he also tell me what the value of the jets are on the open market at this time?

**HON. W. NORMAN BODDEN:** Mr. President, to be very truthful, I never calculated what it would be in 20 years, which the Member has apparently done. The market value of the aircraft, as I understand it, is around \$35 million.

**MR. JOHN D. JEFFERSON, JR.:** Supplementary, Mr. President. The Honourable Member did confirm that some study had been undertaken to determine that a third aircraft was needed. Could the Member tell us the name of the company who undertook that study?

**HON. W. NORMAN BODDEN:** Yes, Mr. President, it was Roberts Associates. I should tell the House, although I feel that there are some decisions and some reasoning in the company itself which is not necessarily for public consumption, I try to be as open and truthful and factual in replying to any substantive or supplementary questions from Members. But maybe if I put forward a point which was taken into consideration one could easily see the reason why Cayman Airways feels it should look in this direction.

It is seen that a third aircraft will substantially strengthen the competitive position of Cayman Airways. Cayman Airways' weakness in competing with U.S. Airlines is due to the fact that it cannot carry passengers beyond the gateways to points within the continental U.S. Therefore, if Cayman Airways has the means, by that I mean additional equipment, to increase the number of frequencies and to offer more non-stop services, it will strengthen Cayman Airways' competitive position against the U.S. carriers serving the Cayman Islands.

**MR. PRESIDENT:** The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:** Mr. President, may I ask the Member why has there been this haste in entering into this arrangement since the Member told us that the review of Cayman Airways which has been ordered, will be undertaken very early next year?

**HON. W. NORMAN BODDEN:** Mr. President, there has been no haste. The consideration and the investigation being made by the company was over a period of several months and I think the question that is being asked by the Second Elected Member for Bodden Town relates to a question that is put down for later in this meeting.

But quite frankly, the company's business must continue. The study is pending but nothing precludes the company as I see it, from taking any decisions or making any plans that it considers to be in its best interests. The company cannot sit down if it feels that in the medium to long-term planning the route for it to take is to acquire a third aircraft. It cannot wait until 1992, 1993, or 1994, to make those arrangements. They have to be made in advance because quite clearly once this is seen as necessary for the future operation of the company, the longer the delay, the more expensive acquiring any type of aircraft becomes.

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Would the Honourable Member say whether there are any limits in the lease restricting the sale, the sub-leasing or the termination of the lease purchase agreement?

**HON. W. NORMAN BODDEN:** Not to my knowledge, Mr. President. It is my understanding that the company has the rights under the lease to re-assign the lease or to sub-lease the aircraft.

**MR. GILBERT A. McLEAN:** Would the Honourable Member say, how is it that while other much larger airlines are cutting back on routes, Cayman Airways can accurately project itself into the type of expansion that it is undertaking? How accurate are the figures showing that Cayman Airways can capture that type of market, or indeed be sure that they can operate at a profit even if they can fly to other points in the United States?

**MR. PRESIDENT:** I think you are going into the next question, in fact.

**MR. TRUMAN M. BODDEN:** Mr. President, would the Member say if he knows whether consideration was given by the Board to the fact that the United States and United Kingdom and ourselves appear to be going into economically worse times over the projected next few years?

**HON. W. NORMAN BODDEN:** Mr. President, I am sure that was part of the consideration that was made by the Board and the company. There are predictions being made of what 1991 will produce as far as the world economic situation is concerned. The aircraft is due to be delivered in early 1992 and I believe, of course

I am not an economist, nor do I profess to be, but sometimes it is anybody's guess as to what the outcome will be. I believe that if we do go into a recession or have a difficult period in 1991, unless it is a very deep recession, we will hopefully have some recovery in sight in 1992 by the time we get the aircraft and put it into operation.

**MR. PRESIDENT:**  
specifically on the present..

I think we are moving into the next question. Unless this is

**MR. GILBERT A. McLEAN:**

Yes, Mr. President.

Taking into account when the third aircraft comes on line, Cayman Airways will be paying approximately \$1 million per month for a lease. Is this not a commitment on the Cayman Islands Government, without the approval of the Government or the Legislature, should I say?

**HON. W. NORMAN BODDEN:**

Mr. President, a lot of the supplementaries are centered around the amount that the company is paying out for a lease. However, I am not an accountant either. But that seems like one-entry bookkeeping to me too. Because we cannot look at one side and say what the lease is going to cost without also taking into consideration the revenue that is projected to be generated by the operation of the additional aircraft. As regards the commitment, the submission with all documents from the company was made to Executive Council. It was felt that the assumptions from a business point of view were fair and reasonable. The approval of Executive Council was obtained and the company proceeded based on that confirmation.

I should point out that the Government was not asked to provide any guarantee in the case of getting the third 737-400. It was based on the financial strength of the company at this stage and what security deposits the company was able to put up through its own resources.

**MR. PRESIDENT:**

The Third Elected Member for West Bay, question 169.

**THE THIRD ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE**

**NO. 169:** Would the honourable Member say what new destinations Cayman Airways Limited is planning to service, and when is it planned to start servicing these routes?

**ANSWER:** Cayman Airways Limited is presently conducting a study to determine which city in the United States of America is best suited for a sixth point to be served by the Airline. No final decision has yet been taken. In any case it will not be possible to serve any additional points before January, 1992.

**SUPPLEMENTARIES:**

**MR. G. HAIG BODDEN:**

Mr. President.

**MR. PRESIDENT:**  
asked the question the first supplementary.

Sorry, excuse me a moment. I always give the Member who

**MR. JOHN D. JEFFERSON, JR.:**

So what the Honourable Member is saying is that the company has gone out and acquired a third aircraft before determining exactly what new routes are going to be serviced? Or is it a fact that a third aircraft was acquired just to service existing routes?

**HON. W. NORMAN BODDEN:**

First of all, Mr. President, the third aircraft and the rights to operate to a sixth point can go together. But one is really not contingent on the other. The existing routes that Cayman Air Airways presently serve could be served through more frequencies, better times and therefore, the markets and routes could be become more productive. The additional flexibility that will be afforded the company by adding a third aircraft to its fleet will enable it to either improve and consolidate its present operations, maintain the present level with a slight degree of increase in frequencies and add a sixth point and also increase its charter work activities. So the justification for the third aircraft are for those reasons and not necessarily specifically to enable the company to operate to a sixth point.

**MR. PRESIDENT:**

The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:**

Mr. President, because great minds think alike I have a similar question to the one asked by the Member for West Bay. How can the company justify the acquisition of another aircraft when it does not know what its full route structure will be in the future?

**MR. PRESIDENT:**  
answered. Any other supplementaries?

As you said, that question is the same and it has been

**MR. G. HAIG BODDEN:**

I would like to ask, Mr. President, what will be the position if the route structure differs substantially, that is, by requiring a longer range aircraft? What will be the position then? Will we acquire a fourth jet?

**MR. PRESIDENT:** That is a hypothetical question. Any other supplementaries?  
The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Mr. President, would the Honourable Member say, based on what it appears he said that there is demand for more seats, is it not more economical to operate two larger jets with the same number of seats as three smaller jets?

**HON. W. NORMAN BODDEN:** No, Mr. President. Absolutely not. If you have one 747 and that is grounded, you are out of business. So that is not really relative. I think the ability to put three aircraft into service increases the number of aircraft by 33.33 per cent and that has got to be better.

**MR. JOHN D. JEFFERSON, JR.:** Mr. President, the Member mentioned in his earlier reply that the justification for the third aircraft takes into consideration new charters. I wonder if the Member could advise us what charters Cayman Airways has in mind and to what destinations?

**HON. W. NORMAN BODDEN:** Mr. President, a charter as the Member asking the question knows, is different from a planned scheduled operation. The charter markets that we have traditionally served have been the Philadelphia/Washington area, Chicago, Minneapolis, St. Louis at one stage. I mentioned that additional utilisation, additional work for the aircraft can be provided through additional charter work. We cannot go out into the charter market and look for this work unless we have the equipment that can provide the service. For example, in our planned schedule for this winter, we were unable to do justification to our scheduled points and operate the charter to Philadelphia at a reasonable hour and therefore, we had to drop that operation in order to serve our destinations better with two aircraft. I am sure that if we have ability to offer the service, we can get additional charter work.

**MR. PRESIDENT:** The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:** Mr. President, may I ask the Honourable Member if the operating losses of the company during the first year of the 737s, was known to the company when it embarked on the acquisition of another aircraft?

**HON. W. NORMAN BODDEN:** The operating results of the company up to June 30 1990, were probably known to the company, yes, when the decision was taken.

**MR. PRESIDENT:** Question number 170, please. The Third Elected Member for West Bay.

**THE THIRD ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES**

**NO. 170:** Would the Honourable Member say if there are any plans to establish a proper mental health facility locally, to deal with the mental health patients we now have and if there are no such plans, how does the Member propose to deal with this problem?

**ANSWER:** Yes. Government plans to establish a mental health facility as a matter of urgency. A comprehensive proposal from the Government psychiatrist is now being considered. As an interim measure, Government is considering the possibility of converting the present pediatric ward to a day-care centre for mental patients, which will include two secure rooms for overnight stays. This plan is dependent on the new surgery suite being built, and the present general ward adapted to provide pediatric beds.

The new hospital will include provisions for psychiatric beds.

Government is also investigating establishing a link with a mental health facility overseas which would take patients for short-term care and those investigative procedures which cannot be done in Cayman.

**SUPPLEMENTARIES;**

**MR. PRESIDENT:** Supplementaries.

**MR. JOHN D. JEFFERSON, JR.:** Mr. President, in the Honourable Member's answer he confirms that Government plans to establish a mental health facility as a matter of urgency. But all of the contingencies that he mentioned do not seem to be something that is going to be done in the next six months to a year. How quickly is the Member expecting to have a proper mental health facility or temporary facility in place to deal with the present problem?

**HON. D. EZZARD MILLER:** Mr. President, none of those contingencies which now exist



were placed there by the present Government. They were placed there by Finance Committee in December last year, when funds for development of the health facilities were refused and revoted for other purposes. I would also point out that we have mental health out-patient facilities presently in place. We have counsellors, we have a psychiatrist, etcetera.

**MR. PRESIDENT:** The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Would the Member say if there is any monies put into the Budget this year to even make an attempt at establishing such a facility, as is implied here in the answer?

**HON. D. EZZARD MILLER:** Mr. President, all Members are aware that I engineered a vote for a loan of \$1.5 million earlier in the year to build the surgical suite and other necessary improvements. Funds are provided in the 1991 Budget for the minor changes which will be necessary to convert the Pediatric Ward.

**MR. TRUMAN M. BODDEN:** Mr. President, would the Member say what use is now being made of the padded room for mental patients which was at the hospital in the General Ward area?

**HON. D. EZZARD MILLER:** Mr. President, I think there still exists one secure room they could use to confine people, but as the Member is aware, the Law that he wrote when he was the Member dictates that the Government and the serving Member for Health and Social Services sign them into prison, not the hospital.

**MR. TRUMAN M. BODDEN:** Mr. President, let me repeat my question. Is there not now a secure room which has existed for sometime, probably the last 10 years at the hospital, that is used for dialysis instead of for the purpose it was built?

**HON. D. EZZARD MILLER:** No, Sir. The room that he had converted, as he called it a padded facility for the mental health patients, is presently or was converted to a dialysis room, but another room was converted for the purposes that he used to use that one for.

**MR. PRESIDENT:** The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:** Can the Honourable Member say why the room is not being used?

**HON. D. EZZARD MILLER:** Mr. President, there is a room that can be used, but we are not satisfied that is the type of facility that needs to be provided. It needs to be improved.

**MR. W. McKEEVA BUSH:** On the one hand, Mr. President, the Member said it can be used, but they are not satisfied. Why do they not satisfy themselves, seeing as we have a serious situation with mental patients at the prison?

**HON. D. EZZARD MILLER:** We have been trying to do that for over a year, but every time we go to Finance Committee funds are moved around for some other purpose.

**MR. W. McKEEVA BUSH:** Mr. President, the Member keeps referring to funds, can he say what funds he is talking about?

**HON. D. EZZARD MILLER:** Yes, Mr. President. There was \$800,000 placed in the 1990 Budget by the Portfolio which was reduced to \$450,000 by Finance Committee. My information has it that unnecessary and illegal restrictions were placed by the majority vote in Finance Committee of the Backbenchers, which has strangled the use of the funds in development of health care for the people of the Cayman Islands.

**MR. W. McKEEVA BUSH:** Supplementary, Mr. President. Can the Honourable Member say what this \$800,000 was for?

**HON. D. EZZARD MILLER:** It was originally intended to facilitate design work for a new hospital and designs for the necessary changes of the present hospital to upgrade the quality of care for the people of the Cayman Islands in the interim period that a new hospital was being built and also to provide improvements in the management services at the hospital.

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Mr. President, would the Honourable Member say whether the problem is not in getting the two rooms for mental health purposes but that he wants to tack on 98 other rooms and get them all at one time?

**MR. PRESIDENT:** That is going beyond the original question by a long way. The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Mr. President, would the Honourable Member say, now that the situation in Finance Committee has been drastically altered, why is it that he does not unstring the vote and get the work done that we are talking about?

**HON. D. EZZARD MILLER:** Mr. President, the Member is aware that Government unestranged the vote by bringing it to open House in Parliament and the funds are being spent by the Department as urgently as possible. To reply to the question from the Third Elected Member for George Town, we have had enough tack-ons and the problem that we now have is because of his tack-on attitude.

**MR. PRESIDENT:** Well, I ruled the question out, but if the Member wishes to answer it, that seems to me a generous attitude. Another supplementary? Please let us stick closely to the subject.

**MR. W. McKEEVA BUSH:** I was just going to tell you that I have wide scope in the debate and the Honourable Member might be able to get the last say now, but he will not have it in a debate.

**MR. PRESIDENT:** That is a statement, not a question.

**MR. W. McKEEVA BUSH:** Thank you for allowing the statement, Sir.

**MR. PRESIDENT:** I had little choice. I think the Member who originally asked the question has a supplementary.

**MR. JOHN D. JEFFERSON, JR.:** Mr. President, I wonder if the Honourable Member could advise us how many mental health patients are presently held in the prison?

**HON. D. EZZARD MILLER:** No, Sir, I do not have that accurate information on hand. But I would endeavour to provide it for Members as soon as I have it available.

**MR. TRUMAN M. BODDEN:** How often has the Member visited the lock-up in George Town where some of those patients are held?

**HON. D. EZZARD MILLER:** Not recently, Sir. About three times since I have been the Member responsible.

**MR. W. McKEEVA BUSH:** Have you ever gone to the prison to see the mental health conditions there?

**HON. D. EZZARD MILLER:** Yes, Sir.

**MR. W. McKEEVA BUSH:** Recently?

**HON. D. EZZARD MILLER:** Yes, Sir.

**MR. W. McKEEVA BUSH:** When?

**MR. PRESIDENT:** Now, wait a minute. I must intervene. That subject was covered in the last Meeting of the House or earlier in this Meeting. This question of the care of mental patients in the prisons has been covered.

**MR. W. McKEEVA BUSH:** The question is, when did the Member go recently?

**HON. D. EZZARD MILLER:** I had a constituent member locked-up quite recently, Sir, and I visited him and the facility.

**MR. PRESIDENT:** I think we might move on to the next question.

**HON. THOMAS C. JEFFERSON:** Mr. President, in accordance with Standing Order 23 (7) & (8), we should move the suspension of it under Standing Order 83 so that the remaining questions and supplementaries can be taken.

**MR. PRESIDENT:** Thank you. I think we were all getting quite carried away with the pace of the supplementaries.

#### SUSPENSION OF STANDING ORDER 23(7) AND (8)

**MR. PRESIDENT:** The question is that Standing Order 23 (7) and (8) be suspended. I shall put the question. Those in favour please say Aye...Those against No.

**AYES.**

**MR. PRESIDENT:** The Ayes have it.

**AGREED. STANDING ORDER 23 (7) & (8) SUSPENDED.**

**MR. PRESIDENT:** The Second Elected Member for Cayman Brac and Little Cayman.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE MEMBER RESPONSIBLE FOR COMMUNICATIONS WORKS AND AGRICULTURE**

**NO. 171:** Would the Honourable Member say what has been the total cost of establishing the Water Authority including the piped and storage facilities and what has been its revenue to date?

**ANSWER:** The following is the financial position of the Water Authority as at 31 October 1990.

**VALUE OF ASSETS**

Sewerage	\$	9,453,514.44
Water supply		9,062,870.50
Vehicles		73,900.00
Machinery & equipment		84,564.53
Furniture & fixtures		93,523.90
Total:		\$18,768,373.37

**REVENUE**

1989	\$	2,818,588.42
1990 Water supply		2,083,246.38
1990 Sewerage		1,111,841.53
1990 Other revenue		688,629.65
1990 Sub Total:	\$	3,883,717.56
1989-1990 Total:	\$	6,702,305.98

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. GILBERT A. McLEAN:** Would the Honourable Member say if there is a financial forecast as to the time, based on its current revenue or projected revenue that the Water Authority would meet its overall expense?

**HON. LINFORD A. PIERSON:** Mr. President, the Water Authority is meeting its debt-servicing currently at this time. I think that was my understanding of the question.

**MR. GILBERT A. McLEAN:** Mr. President, I was actually trying to find out what period of time has it been forecasted that it would be wiped out or recouped?

**HON. LINFORD A. PIERSON:** Mr. President, that is determined on the terms and conditions of the loans that have been received by the Water Authority. We have loans as far back as 20 years from CDDB and local loans of between 10 and 15 years from Barclays Bank and other institutions. So the longest period would be up to 20 years.

**MR. PRESIDENT:** No further supplementaries? The next Question No. 172, the Second Elected Member for Cayman Brac and Little Cayman.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE MEMBER RESPONSIBLE FOR COMMUNICATIONS WORKS AND AGRICULTURE**

**NO. 172:** Would the Honourable Member say what has been done with the rock fill hammered out of Beach Bay Road during its recent construction?

**ANSWER:** In order to provide adequate visibility and smooth vertical curves, several sharp crests were hammered out. This produced about 2,250 cubic yards of material. Nearly all of this hammered material was pushed into sections of the road where fill was needed.

Approximately 450 cubic yards (30 truckloads) of hammered material was excess to this need, and was stockpiled. This stockpiled material is being taken to the prison expansion site at Northward as needed for that project. As of 7 November, nearly half of this stockpiled material has been moved.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries?

**MR. GILBERT A. McLEAN:** Would the Member say if any of this hammered out material has ended up in the yards of any individuals or in any subdivisions in the adjacent area?

**HON. LINFORD A. PIERSON:** Yes, Mr. President, this was in certain cases where it was needed to assist in the shoulder work of the roads being built, material was placed on private properties in those instances.

**MR. GILBERT A. McLEAN:** Mr. President, the question was attempting to solicit an answer to, if material from the roads was used in the yards of private dwellings, other than those along the roadway and subdivisions much further away from that? If the Member does not have the answer, would he undertake to investigate and report on it?

**HON. LINFORD A. PIERSON:** Mr. President, I think I can assist with that question by first saying that no hammered material was sold to private developers or property owners. But where excavated materials were taken, I have an answer to that particular question. Where topsoil was removed, it was placed on the adjacent property. This occurred on four parcels where the road construction required removal of topsoil and it was simply pushed onto the parcel with the owner's consent. For this job the total amount of topsoil was about 100 cubic yards. This placement of topsoil was outlined in a 23 July letter to property owners who were affected by fence relocations. Other than these parcels, no other topsoil existed in the project area. One property owner requested that Public Works remove the topsoil after it was placed on his property. The material was placed at another parcel in the area as directed by that owner.

**MR. GILBERT A. McLEAN:** Mr. President, with due respect to the Member, I think he is giving the answer as he has been provided with and for what he is aware of. Would he undertake to look into the matter to find out whether this fill was used otherwise than what he has been informed?

**HON. LINFORD A. PIERSON:** Yes, Mr. President, I will undertake to do a further investigation into this matter.

**MR. PRESIDENT:** The last question on today's Order Paper. The Second Elected Member for Cayman Brac and Little Cayman.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES**

**NO. 173:** Would the honourable Member say what is the total number of people receiving welfare assistance in the Cayman Islands, with a breakdown between Grand Cayman, Cayman Brac and Little Cayman?

**ANSWER:** In Grand Cayman there are 248 persons receiving permanent financial assistance. Six families receive child care assistance and Government either subsidises or pays the residential fee for four elderly people at the Pines Retirement Home.

In Cayman Brac there are 67 persons receiving financial assistance. Government either subsidises or pays the residential fees for six elderly people at the R. B. Kirkconnell Rest Home.

There are no people on Little Cayman in receipt of welfare assistance.

**SUPPLEMENTARIES::**

**MR. PRESIDENT:** Supplementaries.

**MR. GILBERT A. McLEAN:** Mr. President, would the Member say if this number represents the number of requests that the Department particularly has had, or is there a possibility that this might increase or does this really represent all those who might need this assistance, to the best of his knowledge?

**HON. D. EZZARD MILLER:** Mr. President, this represents those who presently receive and all people who pass or fail the needs test, whichever way you look at it, get the assistance.

**MR. GILBERT A. McLEAN:**  
money?

Does the Member perhaps have what this represents in terms of

**HON. D. EZZARD MILLER:**

Not accurately, Sir, but suffice it to say that there is, I think \$260,000 that is being spent on this in the 1990 Budget. I could undertake to get the exact figure because people do receive varying amounts of money. Just for the Member's information, the amount of money given as financial assistance is: one person, \$20 per week per family; two people, \$30 per week per family; three people, \$35 per week; four people, \$40 per week; five people, \$45 per week and six to eight people get \$50 a week. Amounts over \$50 per week are given only to families of more than eight persons. In this case each additional child gets \$5.00.

**MR. PRESIDENT:**

Proceedings are suspended for 15 minutes.

**AT 11:19 A.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 11:44 A.M.**

## **GOVERNMENT BUSINESS**

### **BILLS**

#### **SECOND READING DEBATE**

#### **THE FIREARMS (AMENDMENT) BILL, 1990**

**MR. PRESIDENT:**

Proceedings of the House are resumed.

Government Business, Bills, continuation of the debate on the Second Reading of the Firearms (Amendment) Bill, the Honourable Third Official Member, continuing winding up.

**HON. J. LEMUEL HURLSTON:**

Mr. President, on the adjournment yesterday I had been responding to the debate on the Second Reading of the Firearms (Amendment) Bill and speaking to a number of concerns which Members raised during their contributions. Before I resume responding to some of the concerns, may I first of all apologise to the House for the slip up I made in presenting the various Clauses of the Bill, which resulted in my omission to explain a rather significant provision in the Bill. That provision is contained in Clause 7 and it relates to the proposed staggering of licences over the next three years, at the end of which all licences issued for firearms will be valid for not one year, but for three years. Meaning too, by staggering them, it will have the effect that only one-third of the total number of licences will fall due in the same calendar year.

This illustrates the counter-argument that greater inconvenience is being heaped upon the owners of licences. On the contrary this provision seeks to make it administratively more convenient by extending licences over a period of three years.

If I could now return to the comments raised and concerns expressed regarding various points that were of importance to the Members. One seemed to have been surrounding the number of illegal weapons and the attitude of the police in cracking down on the persons in possession of illegal firearms.

The Police Report for 1989, contains statistics of crimes reported in 1988 and 1989 and at page 42 of the Annual Report of the Royal Cayman Islands Police for the year 1989, is Appendix G which lists the category of offences reported during each of those years and the number of offences that have been cleared up in each of those years. Under the Firearms Law the number of convictions were 27 cases in the year 1988 and 33 cases in the year 1989. These were offences against the Firearms Law. One will see a slight increase in the number of offences in the year 1989 over those in 1988.

The breakdown of those statistics would be very helpful if I had time to secure them, unfortunately I have not. It would have been nice to be able to break it down between what category of offences comprise that total. I just like to say though, that there is no relaxation whatsoever being exercised by the police insofar as offences under the Firearms Law is concerned.

Of course November 1990 is Firearm Amnesty Month and immediately on the expiry of that amnesty the police will take whatever appropriate steps are necessary to ensure that persons who are found in illegal possession of firearms after the expiry of the amnesty, will be dealt with most severely indeed.

On the question of penalties administered by the Courts, I would simply like to say that the provisions in the Legislation leaves the discretion in the hands of the Judiciary in terms of the maximum penalties prescribed and it is entirely up to the Judiciary to administer justice up to the maximum penalties provided in the Law. It is very inappropriate for the Legislature to try to administer justice in any other fashion.

The suggestion was also made that perhaps the time had come for Government to consider amending the Law so as to remove the licencing authority as it is presently provided and to substitute a more democratic form of authority for the granting of licences.

The Commissioner of Police is currently the licencing authority

in Grand Cayman and the District Commissioner is the licencing authority in Cayman Brac and Little Cayman. It was being advocated that perhaps the time had come to look at restructuring those authorities.

The point that I would like to make on that subject is that regardless of how the authority is constituted, there is provided in the Legislation the right of appeal against the decisions of the authorities and that right of appeal lies with the Executive Council. I checked with the Clerk of Executive Council this morning and she has confirmed to me that during the period January to date, 1990, one appeal only has been lodged in respect of decisions against the licencing authority in these Islands. Given that only one appeal has been lodged, I fail to see how one could reasonably argue that the system is not working.

If persons are sufficiently aggrieved by decisions made by the authority, surely they would exercise their legitimate and legal right of appeal.

The point was also argued that perhaps the period of validity in respect of permits ought to be extended from six months to a longer period. This provision of six months is being proposed on the basis of past experience and current lead times. It is felt that a person can reasonably be expected to secure the necessary clearances and permissions within six months in order to be able to effect the importation or the export as the case may be.

The next point was made in respect of inconvenience to holders of licences having to notify the authorities of changes in address etcetera. Surely, the reason for this should be obvious. The licencing requirements includes the safe storage of firearms in residences and in order for the authorities to be satisfied that the provisions and terms of the licence are being complied with, it is not unreasonable to expect the authorities to need to know the exact location, whereabouts and address of all firearms licences, so as to be able to carry out the necessary annual safety inspection checks to insure that safety arrangements and necessary precautions are in place. To require persons to notify changes in those locations and addresses, would follow as not an unreasonable consequence.

Finally, I promised yesterday afternoon to try and secure some statistics in support of my argument that there were over 800 licences in the Islands at the moment. My point that whether the number of 800 was too little, was in fact, a debatable point. I do not have as much of a detailed breakdown as I would have liked to have gotten. I am told by the Police Department that their computers last night were a little bit less than cooperative.

The statistics I have been able to gather, reveal that there are a total of 804 active valid firearms licences currently in existence. These are broken down into four categories. They are: shot-gun licences, 470; rifles, 109; pistols, 98 and revolvers 127, for a total of 804. Not included in this total are 12 licences in respect of re-loaders.

I have also been able to confirm that there are currently 102 members of the Gun Club who are holders of firearm licences. I do not have the breakdown as to how many of the total licences have been issued to members of the Gun Club, because obviously members of the Gun Club in some instances have more than one licence. But, it is safe to say that the total number of licences held by members of the Gun Club would be clearly in the minority in regards to the overall total of 800. My point yesterday, therefore was, that of the total licences issued, the majority are held by honest law-abiding residents of these Islands. They are used for hunting, agriculture, and like activities.

I believe that Members have expressed genuine concerns about removing the provisions in the Bill for general licences, but let me assure the House that there is nothing to be feared in that regard. For the last four years, there have been no general licences issued; the provisions have therefore, effectively become redundant.

The procedure now is that every licensee must state one or more purposes of intended use on his application and the licence if granted, is restricted for the purposes for which it was applied and surely there can be little argument as to the merit of that system.

There is no intention of altering what has now become an accepted practice. Licences will continue to be issued for the legitimate purposes for which they have been applied. Persons who are not in possession of licences will, after the amnesty in November, be clearly in breach of the Law and will be dealt with most severely indeed.

I believe therefore, that I have tried to recapitulate the concerns of Members to assure the House that there is nothing sinister in the propositions contained in the Bill. I indicated too, that there is one outstanding proposal which may come forward early in the new year. That proposal being in relation to power-hammers, which are technically now caught by the definition as a firearm in that, they are fired by explosive bullets and that it will become clearer in the new year how we propose administratively to make the licencing of these more convenient than is at the moment.

Having said that, I commend the Bill and trust that all Honourable Members will see fit to vote accordingly. Thank you.

**MR. PRESIDENT:** The question is that the Firearms (Amendment) Bill, 1990, be given a second reading. I shall put the question. Those in favour, please say Aye... Those against, No.

**AYES.**

**MR. PRESIDENT:** The Ayes have it.

**AGREED. THE FIREARMS (AMENDMENT) BILL, 1990, READ A SECOND TIME.**

**MR. CHAIRMAN:**

The House is now in Committee.

With your leave may I assume that as usual we can authorise the Honourable Attorney General to correct any minor printing errors and such like in this Bill? Would the Clerk now state the Bill and read the Clauses in the usual way? We will take the Clauses through and I will keep an eye open and any Member who wishes to stop on a particular Clause for discussion, or please indicate who wishes to have a vote taken on a particular Clause.

### THE FIREARMS (AMENDMENT) BILL, 1990

**CLERK:** CLAUSE 1 - Short Title

CLAUSE 2 - Amendment of section 2 of Law No. 17 1964.

**MR. TRUMAN M. BODDEN:**

we spoke to that earlier and to that we object.

Mr. Chairman, this deals with the definition of General Licence;

**MR. CHAIRMAN:**

say Aye...Those against No.

I will put the question on Clause 1 first. Those in favour please

**AYES AND NO.**

**MR. CHAIRMAN:**

The Ayes have it.

**AGREED: CLAUSE 1 PASSED BY MAJORITY.**

**MR. CHAIRMAN:**

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

Further discussion, or should I put the question on Clause 2?

**AYES AND NO.**

**MR. CHAIRMAN:**

Madam Clerk, please take a division.

**CLERK:**

### DIVISION NO.40/90

**AYES: 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

**NOES: 5**

Mr. John D. Jefferson, Jr  
Mr. Truman M. Bodden  
Mr. Gilbert A. McLean  
Mr. Roy Bodden  
Mr. G. Haig Bodden

**CLAUSE 2 PASSED BY MAJORITY.**

**CLERK:** CLAUSE 3 - Amendment of section 19 of the principle Law

**MR. TRUMAN M. BODDEN:**

instead of six; we said that in the debate.

Mr. Chairman, it was our feeling that there should be 12 months

**HON. J. LEMUEL HURLSTON:**

experience, six months was considered reasonable and adequate.

Mr. Chairman, it was my opinion and response that based on

**MR. CHAIRMAN:**

expire and the permit holder asks for an extension? Is there provision for an extension?

**HON. J. LEMUEL HURLSTON:**

then in turn become valid for a further six months.

There is provision for a new licence to be issued which would

**MR. G. HAIG BODDEN:**

Mr. Chairman, on another point, Clause 3 (c), some of the Members were against restrictions being put on by the appropriate authority and would prefer to see restrictions that may be imposed, written in the Law rather than left to the discretion of the licencing authority. I certainly would want to vote against that section.

**HON. J. LEMUEL HURLSTON:**

Mr. Chairman, this was the section that I referred to, that is in fact a liberalisation of the current restriction contained in the Law and that in fact, it is difficult to place every conceivable combination of restrictions in Legislation of this kind. Based on experience, it is generally felt that the

restrictions should be appropriate to each case and it is going to be difficult to Legislate for every conceivable type of restriction.

**MR. CHAIRMAN:** If there is no further discussion on this Clause I shall put the question. Those in favour, please say Aye... Those against No.

**AYES.**

**MR. PRESIDENT:** The Ayes have it.

**AGREED. CLAUSE 3 PASSED.**

**CLERK:** CLAUSE 4 - Amendment of section 21 (6) of the principle Law.  
CLAUSE 5 - Amendment of section 22 of the principle Law.  
CLAUSE 6 - Amendment of section 23 of the principle Law.

**MR. TRUMAN M. BODDEN:** We are not opposing these. These are really dealing with the general and they are inconsequential in the Motion that we lost earlier.

**MR. CHAIRMAN:** Do you wish the Clauses to be put separately? Thank you.

**CLERK:** CLAUSE 7 - Amendment of section 26 of the principle Law.  
CLAUSE 8 - Amendment of section 27 of the principle Law.

**MR. GILBERT A. McLEAN:** I think Clause 8 is the section dealing with the imposition of a \$400 fine and 30 days imprisonment if notice of a change of address is not given. I would like it to be noted or recorded that I oppose that particular insertion.

**MR. CHAIRMAN:** We will put the Clause separately, then. We will put the Clause separately so you can indicate your vote against it. Is that what you wish?

**MR. GILBERT A. McLEAN:** Mr. Chairman, once it is on record, as it will be, it is fine with me.

**MR. CHAIRMAN:** In that case we will go on. We have gotten to Clause 8, so far.

**CLERK:** CLAUSE 9 - Amendment of section 35 of the principle Law.  
CLAUSE 10 - Amendment of section 36 of the principle Law.  
CLAUSE 11 - Amendment of section 40 of the principle Law.

**CAPT. MABRY S. KIRKCONNELL:** Mr. Chairman, I wondered with the inclusion of Custom Officers if consideration should not have been given for Immigration Officers who also have Law enforcement?

**HON. J. LEMUEL HURLSTON:** Mr. Chairman, I think we have to take them gradually. We started out with no other branch of Law enforcement being exempted then we added the Prison Service. We are now adding Customs, as and when the Departments themselves have been able to justify the need in their particular cases will it be considered.

**MR. CHAIRMAN:** The question is that Clauses 4 through 11 do stand part of the Bill.

**AYES.**

**AGREED. CLAUSES 4 THROUGH 11 PASSED BY MAJORITY.**

**CLERK:** A Bill to Amend the Firearms Law (Revised).

**MR. CHAIRMAN:** The question is that the title do stand part of the Bill.

**AYES.**

**AGREED. TITLE PASSED.**

**MR. CHAIRMAN:** That concludes proceedings in Committee on a Bill entitled, The Firearms (Amendment) Bill.  
The House will now resume.

**HOUSE RESUMED AT 12:11 P.M.**

**MR. PRESIDENT:** Proceedings are resumed.



Bill, report.

## REPORT ON BILLS

### THE FIREARMS (AMENDMENT) BILL, 1990

**HON. J. LEMUEL HURLSTON:** Mr. President, I have to report that a Bill for a Law to Amend the Firearms Law (Revised) was considered by a Committee of the Whole House and passed without amendment.

**MR. PRESIDENT:** The Bill is accordingly set down for Third Reading. Bills Third Reading.

## THIRD READING

### THE FIREARMS (AMENDMENT) BILL, 1990

**CLERK:** The Firearms (Amendment) Bill, 1990.

**HON. J. LEMUEL HURLSTON:** Mr. President, I beg to Move that the Firearms (Amendment) Law, 1990, be given a Third Reading and passed.

**MR. PRESIDENT:** The question is that the Firearms (Amendment) Law, 1990, be given a Third Reading and do pass. Those in favour, please say Aye... Those against, No.

**AYES.**

**AGREED BY MAJORITY: THE FIREARMS (AMENDMENT) BILL, 1990, PASSED.**

## SECOND READING

### THE APPROPRIATION (1991) BILL, 1990.

**MR. PRESIDENT:** Bills, Second Reading. The Appropriation (1991) Bill, 1990. The Second Reading which was Moved last Friday. Does any Member wish to speak?

**MR. G. HAIG BODDEN:** Mr. President, the ugly picture which has been presented in the Budget Address of the 1990 year and the 1991 projections, is only a result of the bad policies of the Government over the last two years. The statement from the First Official Member of Government makes it clear that at the end of 1990, we are faced with the worst financial situation that this Government has ever been in. In fact, the situation is even much worse than the Government itself had anticipated.

Reading from the Budget Address on page 65, I quote:

"As a result, the revised 1990 deficit of \$18.3 million, before 1989 carried forward surplus and transfers from General Revenue, is higher than the original estimate of \$8.1 million. However, when we include the 1989 carried forward surplus of \$11.8 million and a proposed transfer of \$7.8 million from General Reserve during 1990, we are expecting an overall surplus for the current year of \$1.3 million, instead of the original estimated surplus of \$1.1 million."

What a year! What a performance! We entered the year 1990 with a good surplus brought forward from 1989. A surplus of \$11 million which should have been put into Reserves to increase the paltry sum that had been there. Instead, the Government has used that surplus.

Everyone knows that the surplus at the end of 1989 was not there because this Government had done anything special. I see it and I believe all the financial experts will agree that the surplus which we had at the beginning of this year was simply a carry-over. A result of the good performance of a previous Government which ended its term of office at the General Elections in 1988. We have taken that gift from the gods and destroyed it, dissipated it during the fiscal year, 1990. We have done even worse than that because we have dipped into our slender, paltry Reserves and taken out \$7.8 million to make-up for the shortfall during 1990.

I have heard the Governments in the past proclaiming that it was considered prudent to have Reserves about equal to three months Recurrent Revenue. We found ourselves with Reserves of only \$19 million, which were far below the three month figure and yet we have taken from them \$7.8 million, leaving only about \$11 million in Reserves. That \$11 million is really only about a little over one months Revenue. So, not only did we have a bad situation with regards to a deficit, but we sought to remedy that situation by depleting our Reserves, as I mentioned earlier by spending a surplus which had been brought forward and which was badly needed to bring our Reserves up to where they should be.

We have examples all around us of Caribbean countries, Central and South American countries that have gotten themselves into deep financial problems. If one studies any of them, particularly Venezuela and Trinidad, we will find that the cause of their greatest problems, is that of having a

foreign debt or a public debt that is unmanageable, that is too large. Here again we have failed, in that the 1991 Budget or Capital Budget is made up entirely of debt, of borrowed funds; something that I believe is new to us. In fact in the Address, the Financial Secretary mentioned that for 1991, we are going into debt-financing.

There have been years in the past when good Governments were in place and that the majority of the money spent on Capital Works had come from Recurrent Revenue with little or no borrowing. There were other years when the money spent on Capital Works had come from borrowed funds with a little help from Recurrent Revenue. Now, we seem to have entered an era when we have thrown all caution to the wind and have gone out to borrow the full \$13 million which will be spent on Capital Projects.

This is indeed alarming since our public debt has reached a magnitude that is becoming intolerable. Only a few short years ago, Government's public debt stood at about \$15 million. It had taken the Government more than a 150 years for its public debt to reach that level and now we are told on page 66 of the Budget Address, that these changes in the public debt position indicate that total public debt obligations will stand at approximately \$30.5 million by the end of 1990.

In the last six years Government's public debt has doubled. The Government is out to borrow for 1991, a figure of \$13,331,417. In the Budget document itself we see that out of Capital Expenditure there will be absolutely no contribution from local revenue, but the bad part of it is that the loans themselves seem to me, will be borrowed without any real contributions that may be called soft loans. There is in the \$13 million plus debt or loans to be obtained \$360,402, that will come from the European Development Fund.

There is - and I do not want to anticipate this, but there is a Bill which we will deal with later called the Loan Capital Projects Bill which will give us perhaps another opportunity to deal with the loans.

According to the Address and the Estimates of Expenditure, we have fallen down badly. Government failed to contain its expenditure, that is the amount of money which was spent, over that which had been budgeted for by some seven per cent. While that is bad, we also find that Government's Revenue is down by some 2.5 per cent. While as stated in the Address, it is shown that we did not draw down all of the loans by the end of the year, I can only say that is not very comforting because had we drawn them down at the beginning of the year, there is every possibility that we would have spent them and perhaps spent more than we had set out to borrow, further increasing the abnormally high deficit of \$18.3 million.

I would like to question what would have been the deficit if the Backbenchers had not gotten together in November last year and put the brakes on some very large projects? What would have been the deficit? What would have been the deficit for 1991, if the Pension Plan had not been scrapped and Government had been forced to include four per cent for its workers as contributions to the Pension Plan for 1991?

What bothers me about this exercise is that we saw very recently, only a couple of weeks ago, the Government come in and force through funds for a Post Office, when they must have known that they were in trouble already. When they must have known about this \$18 million deficit. This bothers me when the Government sets out with its new restructured Finance Committee, to put through supplementary expenditure which it can now do, but the country cannot afford.

It has always been my understanding that Supplementary Expenditures are brought to Finance Committee throughout the year, only when the Revenue is there to take care of it. But certainly this \$18 million deficit did not come about last week Friday. This deficit must have accumulated and when that paper was presented to Finance Committee, Government must have known or should have known, that there was a large deficit. Yet, with the help of the new restructured Finance Committee, such a project which would have been postponed, was put through and the whole fear that I had at the beginning was that Finance Committee could be manipulated in such a way that the Government could put anything through, if so decided; the brakes, the checks, the balances have been removed.

We know, it is no secret that meeting in which the Post Office was put through had been postponed many times, so that the full strong eight Member vote could be present; and these are the fears that bother me. We, as the seven Members, no longer have any control at all, no provisions for stopping any project no matter how wild a scheme that the Government puts forward.

I believe the tight financial position we find ourselves in today has been caused by our own actions here. I know the Financial Secretary mentioned the war in the Gulf and the price of oil, but it is my belief that the Government's action, enforced through a \$10 million tax package, helped to dry up the money in circulation.

I know a little paper was put forward by some economic unit, at the time that we dealt with the tax package. Unfortunately, the ideals set out in that paper have not materialised. Withdrawing \$10 million from the private sector and putting it into the Government coffers has made the multiplier effect work in reverse, and the Financial Secretary almost admits this when he says that in the private sector, there is that slowdown which we know is there. It is real and the Government's action helped to do it.

Other factors which have helped are the uncertainties which exist over the forthcoming Constitutional Review. I believe investors and business people are watching to see what will happen and this is why this exercise must not be drawn out. We do need an election today, not so much because of cosmetic changes in our Constitution...

**MR. PRESIDENT:**

Please stick to the subject.

**MR. G. HAIG BODDEN:**

But to save this country...

- MR. PRESIDENT:** Please stick to the subject of the debate! It is not the General Election.
- MR. G. HAIG BODDEN:** But I am saying that, Sir. I am saying that we need...
- MR. PRESIDENT:** It is not the General Election, please stick to the subject.
- MR. G. HAIG BODDEN:** Yes, Sir, but I am saying that we need the General Election to save us from economic catastrophe. We need to change the Government...
- MR. PRESIDENT:** That is still not the subject of the debate. I must ask you to keep to the subject of the debate which is the Appropriation Bill, and the Estimates with it.
- MR. G. HAIG BODDEN:** I am saying, Mr. President, that the only solution for our economic woes as portrayed in this Budget, is a new election! Not for so much the Constitutional matters, but to save this country from the economic downturn which it has taken!
- MR. PRESIDENT:** It is a perfectly valid point of view that a General Election may be a solution, but a Constitutional Review, as you say, has nothing to do with it.
- MR. G. HAIG BODDEN:** I am glad I am making myself clear now, Sir.
- MR. PRESIDENT:** With a little help from your friends.
- MR. G. HAIG BODDEN:** What?
- MR. PRESIDENT:** I said with a little help from your friends. [laughter]
- MR. G. HAIG BODDEN:** I must say that I appreciate any help from my friends.
- MR. PRESIDENT:** I thought for a moment that we were going to have a song. I am sorry to interrupt you so much. It is just a minute until lunch. Do you want to take the break and start after lunch? Proceedings are suspended until 2:15 P.M.

**AT 12:44 P.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 2:23 P.M.**

- MR. PRESIDENT:** Proceedings of the House are resumed, the Second Elected Member for Bodden Town, continuing.
- MR. G. HAIG BODDEN:** Mr. President, at the lunch break I had been dealing with some of the factors I believe that have contributed to economic position we are now in and I will not prolong that but would mention just one other matter. That is, the high cost of doing business in these Islands. This high cost has been increased over the last two years by many actions of the Government.
- For example, in an interview with Mr. Malcolm Jennings, the General Manager of the Hyatt Regency Hotel, the reporter from the newspaper asked Mr. Jennings this question in *The New Caymanian* for the week of 9 November. The question was:
- "In the last four months, the cost of doing business has increased in most areas - work permits, import duties, electricity, gasoline, and port charges. Is the Cayman Islands Hotel and Condominium Association concerned?"
- The reply Mr. Jennings made was:
- "We are concerned for two reasons. The Cayman Islands Hotel and Condominium Association takes into account the larger hotels and also smaller hotels and the condos. And over the short period maybe the larger hotels can absorb those costs, but the smaller hotels cannot. Those costs either have to be absorbed or passed on."

The statement that higher costs have to be absorbed by the small hotels also applies to any other small business, and perhaps this is one reason why tourists find it very expensive. This is the reason why, perhaps, the Member in presenting his Budget Address made mention of and gave statistics on the very short stay of the tourists who stay overnight here, because these are the tourists that really bring the money to Cayman. The tourists that stay in a hotel, rent a car, visit the restaurants, each of these arrivals by air mostly spend a lot more money per person than say the cruise ship passengers.

This is why Government has to be careful when it increases taxation that the increased revenue which Government receives from any specific tax may not increase Government's overall Revenue, as the people who use those services may buy less of those services. This leads

me to agree with the Financial Secretary that we have to be careful in going out to seek new revenue, because we may find in certain areas the cost of acquiring that little increase may actually hurt the overall total.

The Budget which we have been given for 1991 is a lot worse than it appears on the surface because in it there are around 40 token votes - most of them \$10 each. Although one is \$80 (but I imagine that is eight \$10 votes), that one is for helping with high accident locations on the roads. There is another \$40 vote (which I think is four \$10 votes for four different projects) to take care of shoulder safety improvements on the roads. These token votes in the Budget range from very small expenditures up to expenditures that could reach six figures, easily. What I am trying to say is that the presence of the token vote indicates Government's intention to deal with these problems.

I may say that I am grateful to see the \$10 put in for the playfield in Bodden Town because the Civic Centre in Bodden Town was completed in 1984 along with the Police Station and along with the purchase of some three or four acres of land. In November 1984 I received a promise from the Second Elected Member of Executive Council that he would fix that playfield, and despite requests over the six years (not only by me, but also by the other Member from Bodden Town and Mr. Franklin Smith), and despite a Motion which was accepted here by Government only a short time ago in the last meeting, we still find that the Members of Executive Council have only found it in their hearts to put in \$10 (which I understand is a token vote) to do the playfield and maybe the other renovations necessary.

They seem to laugh at the Members when they reach 31st of December and projects like this which should be done in the district remain undone, overlooking the fact that it is the children of Bodden Town and the children of the Island generally, who suffer. This lack of interest by Government in facilities for the children within the districts is not peculiar to Bodden Town. I saw in the newspaper that the youth in East End had to withdraw from the soccer competition because they were unable to train. This is an indictment against the Members of Executive Council, that consistently refuse to address these problems. If they really want to do something about the drug problem as they proclaim, they have to come to grips with how the children in the districts spend their time, they have to come to grips with the lack of facilities in the districts which they consistently refuse to supply.

On 12th October in the *Caymanian Compass*, there is an Editorial that reads:

#### "Grounds For Improvement

Eleven years ago a visiting FIFA referee made a mental note of the Annex pitch, as the poorest he had ever been on. Returning this week he was 'really taken aback when I saw it was the identical ground'."

This has to be an indictment against these Members of Government because it is their responsibility to go out to the districts and to visit these facilities and when they are putting together the Capital Budget, to put in sufficient funds. It can no longer be blamed on other circumstances, like the Elected Second Member for Executive Council once tried to say, that he did not fix the playfield in Bodden Town because the Bodden Town Member had no interest in it. They cannot use these lame excuses anymore! They have the responsibility which is delegated to them for these subjects and they must perform.

There was also an article in the newspaper recently about a match that had been rained-out because there was no indoor gymnasium. It was pointed out in that article that a sporting complex had been started many years ago. Phase I was almost completed and phase II, which included the indoor facilities, have never been touched and that the Government is now going to review it or to look into it or something.

I believe the number one problem in our society today is drugs and many of the authorities that talk about it, mention the lack of facilities for the youth. The Members that have the responsibility must carry out these responsibilities.

Dealing with my district, I am happy to see the money in the Capital Budget for the launching ramps. But, here again I expect if the present attitude prevails, when December 1991 comes, that money will still be there and the facilities will not be provided.

In reply to a question in the last sitting of the House, the Member did mention that he was looking at the ramps and we are grateful for this advice from him, but the horse is starving. I know there were some difficulties with finding a site for the ramp in Bodden Town, but we expect the Member to find a way around these problems and to not use these problems as excuses for not getting the work done, because the work is not being done.

The first request that I remember making to Government for a boating ramp in Bodden Town was made at that same meeting with the First and Second Elected Members of Executive Council just after the 1984 Election. We were promised they would do the boat ramp. That promise has not been well kept in that it has been kept out of our reach for six years and I see no light, as they usually say, at the end of the tunnel. Perhaps the Government lost sight of the fact that had they built that boat ramp in Bodden Town, they might have had increased revenues from the sale of gasoline to the residents of that district for their boats. What I am saying is that the present Government is a Government of non-performance. I expect that I will so startle them with this new fact that they will leave this meeting convinced and fired-up to do the job that they have been elected to do. I believe that the inactivity of the Executive Council is one of the reasons for the hesitancy amongst the investors to invest.

I remember sometime ago, that a Resolution was passed in this House for the reduction of the Post Office fees for the fees on postal boxes and the Member agreed that he would

review the fees. I have seen no action on it. One Member apparently disagreed, and perhaps this is why they have not yet acted collectively. I believe this is totally setting aside the will of the Elected Members or the majority of the Elected Members going on in their own sweet way hurting this country. After all, we are a democracy and majority rule must exist.

The Capital Budget contains many unusual items; some big, some small, some non-existent. I find amounts like \$1 million for hospital design that I would like to know and to hear more about. It was my understanding that the majority of the Elected Members had rejected the idea of building a new hospital and I wonder if this is going to be brought back, like the West Bay Beach Post Office, because there is in the Budget Address an alarming paragraph found on page 67:

"The 1991 Budget, therefore, is one that proposes to use debt-financing for capital projects which support policy initiatives in the following areas: education and training; diversification of the local economy; road development; medical and dental care; tourism development; and development planning and budgetary administration."

If we accept this paragraph it seems to me that the gate will be wide open for Executive Council with its newly structured Finance Committee, to carry out or to put forward any policies that may have in the past, been rejected by the majority of Members. That is a majority of Elected Members at that time.

The Budget contains an unusual item of \$300,000 for the new main Post Office; a sum of money which I believe is inadequate, unless it is not expected to build a new Post Office this year. That sum of money is only \$30,000 more than the new sub-post office in North Side. While I do not begrudge the new post office in North Side, I must say that I was surprised to see the item here, when they are building so many other post offices around the Island; I wonder how we can do all of them at one time. I welcome the new post office in North Side because I know the building is small and perhaps inadequate. But, are we doing what the Financial Secretary says we must do in his Address about good fiscal management? Which, to my mind means, building only what is necessary.

We are going to put a new post office in George Town, we are going to keep the old post office as a sub-post office. We are going to put another post office in the pink building and we are going to put a new post office in West Bay. We have the postal agency in Hell and we probably will be keeping the little post office in West Bay, as well. With the crying need for sporting facilities, which have been neglected by this Government, how can we put so much money into post offices at a time when we have to go out and borrow every penny for the Capital projects?

Among the unusual items that I noticed in the Capital projects, is the sum of \$1,858,498 for the construction of roads. These items have been singled out as unusual for different reasons. The reason why this one is unusual is because of the history of the construction of roads. We see the actual expenditure for construction of roads in 1989 had been \$3,047,138. In 1990, we had budgeted for \$3,785,000, which had to be down-graded in the Revised Estimate for 1990, to \$3,045,300. For 1991, we only put in \$1,858,498. A sum that is far less than the actual expenditure in 1989, and far less than the Revised Budgets for 1990. I wonder how we are going to get along on that sum of money, if any substantial amount of new roads are going to be constructed?

There is a Heading in the Budget - Juvenile Rehabilitation Centre. I notice there are no funds for it, not even the accustomed \$10 token vote, which means that this item this year will have very low priority, even though there is a crying need for such a centre. Perhaps, even more necessary to the welfare of these Islands than the post office in West Bay Beach.

I mentioned in my introduction that the deficit has been caused not only by overspending, but also by expected shortfalls in the Revenue and I think we need to pay attention to this matter. No matter how great our ambitions, if we do not have the Revenue, we cannot have sustained growth. We can never take care of poor housing, education or any other service, unless we have the wherewithal to pay for it.

Our actual Revenue in 1989, was a sum of \$100,502,571. In 1990, we had projected to receive a larger sum, a sum of money of about \$2.25 million more than in 1989. Because of some of the factors which I have outlined, the Revenue position had to be revised downward and we see that it is projected that at the end of 1990, the Revenue will have fallen to \$100,299,133. A sum which is below the actual collections in 1989.

However, there is a very optimistic estimate for 1991. If we could not meet our estimates of \$102 million for 1990, I cannot see how we can estimate that we will receive \$20 million more in 1991, than we did in 1990. Particularly if we take into account the world situation; we may well be on the verge of a third world war. A war, because it will be fought in the Gulf, is going to affect the price of oil, electricity, transportation and all the by-products of the petroleum industry.

I believe this Revenue estimate is far too optimistic and perhaps has been put forward, so that we on paper, will not look too bad. There is another reason why I believe the Revenue estimate is over-optimistic, and that is because in our local economy we have only begun to feel the pinch of the high taxes, which are not producing the Revenue that we expected they would produce when they were put in, in June. We have not yet felt the full crunch of the oil prices, and the price of our electricity has been going up every month. The price of gasoline has been going up, but I do not think those prices have peaked.

If Members recall in the June session when we debated the large tax package, just prior to the problems in the Gulf, I quoted from a leading magazine which predicted that the price of oil would rise shortly. My words were not taken into account, Government went ahead and put in the tax

increase of 12 or 13 cents per gallon. I challenge them today to bring forward an amending Bill to reduce the Government taxes on gasoline and diesel by 15 cents per gallon. Every other country is taking into account the crushing weight on the economy of the high oil prices and it is time that our Government listens to the drummer, or they will continue to march out of step.

We found that we are in trouble with tourism. We can no longer boast about the high increases in our revenues from tourism, because we are pricing ourselves out of the market; and the Member for Tourism is doing nothing about it. I know of several instances where he has been acquainted with many irregularities concerning the cruise ships and to my knowledge he has never met with any of the cruise lines despite being asked to look into certain matters. I can only say that he too, is a Member of non-performance.

I believe we are over optimistic in the revenues that we expect to receive from the Banks and Trust Licences. Our actual collections in 1989 were \$5,619,500. Although we had projected higher Revenues for 1990, the Government was forced at the end of the year to down-grade the Revenues for 1990, to a figure below the actual collections in 1989. So, the approved estimates for 1990 are now \$5,600,000. Yet, we estimate that in 1991, we will collect \$7.7 million from this area. That is very optimistic planning.

Despite the fact that we may increase the licence fee, or as you would say in economics increase the price of the unit, it does not follow that we will earn more money. A person selling refrigerators cannot always increase his earnings by putting up the price. He may have to go out and sell more units as well, and this is borne out by what is happening to the hospitals fees. We know there has been substantial increases in the hospital fees; the cost for staying in the hospital ranges from \$50 to \$100 per day and some of the charges being put on that never existed before. Also, we know that the fees for 1991 have been increased and on 1 January, I believe the fees will go to \$150 per day. Yet, with all that in the Revenue, these increased fees are not reflected in total higher gross Revenues, which bears out my point that you cannot get more Revenue simply by increasing the price. You can get it when you increase the price by a reasonable amount, but when you increase it as the hospital fees were done, by an unreasonable amount, people fail or stop using the service and this is clearly borne out by the figures in the Budget.

The actual collections in 1989 were a \$1,840,151. Perhaps with the thought in mind that the hospital fees would have been increased this year in 1990, we budgeted for \$2,600,000 of hospital fees. This would appear to have been a reasonable Budget if all factors had remained even and that the doubling of the fees had produced the doubling of Revenue. This did not happen and in the Revised Estimates for 1990, the Government had to reduce the estimated hospital fees by more than 50 per cent, although the fees from July had doubled and in some cases had increased even more.

Having learned the lesson that increased fees do not mean total increased Revenue, we see the estimates for 1991, despite the fact that the fees will be 300 per cent above what they were in 1989, are only \$1.5 million, which is much less than the approved estimates for 1990. In fact, it is only a little over one half, although the fees have gone up. So, if we price the medical services out of reach of the local population, we may be able to say on paper that our fees are in line with the United States, or any other country that we may compare them to. But, the hard reality is, that the patients, the customers, have gone elsewhere and a shiny new hospital will not do us any good.

One alarming item in the Revenue, is the interest on our cash balances. We see the actual collection in 1989 on our cash balances had been \$2,928,274, nearly \$3 million interest earned on the cash balances that we had at that time. For 1990, we found out that we could only estimate one-third of that \$1 million and we were not even able in 1990 to collect that one-third, because the revised figure shows that we are expecting to receive only \$850,000 this year, as against \$2,928,000 in 1989. And the downward trend continues because for 1991, the estimate for the Revenue from interest on cash balances is \$500,000, one-sixth of what it was in 1989. So the country's cash is fast disappearing and no cash means no interest on cash balance.

**MR. PRESIDENT:** Perhaps we might take the break here.

**MR. G. HAIG BODDEN:** Yes, Sir.

**MR. PRESIDENT:** Proceedings are suspended for 15 minutes.

**AT 3:24 P.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 3:43 P.M.**

**MR. PRESIDENT:** Proceedings are resumed, the Second Elected Member for Bodden Town, continuing.

**MR. G. HAIG BODDEN:** Mr. President, amongst the expenditure for 1991 there is a large sum of money for the servicing of public debt. The total figure is \$7,745,658. This figure represents almost seven per cent of our Recurrent Revenue. This is an area that needs to be watched because we are fast approaching a situation where we may not be able to borrow more money or accumulate more debts, because we may not be able to service these debts comfortably.

There was an item in the news recently that the Bahamian

Government is going out to borrow \$50 million to pay its debts, which could only mean that they are going deeper and deeper into debt, although they may be getting relief from a particular creditor. I mentioned in the outset of my debate that there are many countries in the world that are suffering from this same problem.

We may have to take a hard look at our borrowing. This year was an extreme case where the Government had no money for Capital projects, had to borrow all of it and I trust this will not be repeated again in the near future, so what we really need is a slowdown on our loans and an effort to build up our Reserves, so that we can get the country back in a good sound position.

In the budget there is a subsidy of a \$1,050,000 for Cayman Airways. I am happy that the Government is able to provide such a subsidy to the airline because throughout my political life I have been a strong defender of the national carrier. However, I am most unhappy with the treatment handed out to the Legislative Assembly and the Finance Committee by the Executive Council. We learned this morning (although it had been in the news before) that the Executive Council had approved the lease purchase of a new aircraft in October to come on line in 1992. Yet, Finance Committee was not told a word about this action, and Members of the Legislative Assembly were not told anything either until after it had become an accomplished fact.

It is my understanding that the Government and the people of the Cayman Islands are still the owners of Cayman Airways. In fact, under the Bermuda II Agreement, Cayman Airways would not be allowed to fly into the United States unless the airline was substantially owned and effectively controlled by the people of the Cayman Islands or by the British Government. As the owners of the airline the representatives have a right to know, and the Government will have to pick up any shortfall that may occur in the airline. We will be the ones that will ultimately have to pay and I cannot agree that the Executive Council will allow the airline to make these very large commitments without informing the Members of the Legislative Assembly and the Members of Finance Committee.

One hope of the Financial Secretary is that there can be a containment of Recurrent Expenditure through curtailment of Civil Service growth. That hope will not be realised with this year's Estimates, as we see from the numbers given that in 1991, the Civil Service membership will increase by about three new bodies.

If the country is to pull itself out of the great danger into which it is galloping, Government will have to curtail its expenditure. Government will have to find new areas of Revenue. I believe this should be the work of the people that run the Government. They must find new avenues of getting monies to run the country and when I say new Revenue, I do not mean increasing taxes on the items that are already highly taxed. Government must find out how to bring money into the country. Because we are on an island, every day we are sending our money abroad to buy oil, television sets, books, food, construction materials and everything else that we use. If we do not bring back the money which we are sending out, we will find ourselves broke.

If there are areas that can be tapped for more cash to revitalise our economy, the Government must set about it. In the two years that this Government has been in office, I have not seen a single proposal that would bring in new cash from abroad. All I have seen every time the House has met and every time we pick up the newspaper, is that Government has increased the cost of living for the residents, by increasing the cost of some service and every time there is an increase, we start to fall behind. All that these increases are doing is taking away cash, which the private people could use to expand the economy better than the Government.

I believe this is what the Financial Secretary had in mind when he wrote in his speech, "that for economic wisdom to dictate the way Revenues are raised can sometimes make growth in an economy hostage to taxes.". If the only thing we can think about is putting up this fee because it has not been raised in eight years, or putting up that fee because they believe the person must have the service, we are lost, we are not good planners and we do not have good Government.

I would like to congratulate the First Official Member for the scholarly fashion in which he presented the Budget, the honest manner in which he laid his hand on the table, and I am happy to see that he has realised, if no Member of the Elected Government has realised, that there are some danger signals.

Some people, particularly in the United Kingdom, seem to be worried about the events in the Eastern Block countries. But right here we have serious reasons for concern as well, because not only has Communism come to an end in Russia and Eastern Europe, but it too will come to an end in Cuba. Cuba is our neighbour. The Cuban people, who no longer get the amount of aide that they had been getting from other Communist countries, will have to look at building up their own resources. Perhaps for every country in the world, there can be no better way than through tourism. I believe if Cuba is opened up, despite the fact they may not have very good facilities initially, they could take away from us a lot of the tourist traffic we get from the North American continent. Curiosity seekers will flock to Cuba just to see what it looks like and to compare that system with their own. So, apart from our high prices in the tourist industry, we may have to look at competition that is very close to home and Government will have to stop increasing the cost to the tourist.

In dealing with the domestic sector of Government, the First Official Member analysed the growth pattern. What is clear from his analysis, although he did not specifically draw the conclusion, is that our domestic sector has slowed because of the policies of Government which resulted in uncertainty. The Financial Secretary had this to say: "In short then, Mr. President, the conclusion we may draw from the available estimates - even a cautious one about the overall state of the economy - is that over the past 21 months, there has been a slowdown in growth in the economy."

I am happy to see that the Financial Secretary does not advocate Government's intervention in regulating the pace of economic activity. But we have to remember that although we may not use direct intervention like the moratorium on the hotels, Government's other actions

indirectly affect the growth of the economy. Or sometimes Government's lack of action also affects the growth of the economy.

The Member presenting the Budget, identified key areas that interact in our economy and areas that can make or break the country. For example, he points out the tourist demand for holiday vacations. We have a good country with good beaches, water sport facilities, and hotels, but we do not have an absolute right to the pocket books of the tourists and we must do all we can, so that they demand from us holiday vacations, and that they come here because they like it. We must make it so that they do not stay away because the Government has put in a \$10 million tax package, that has increased their vacation by 10 or 15 per cent above their anticipated cost.

The Member identified the private sector demand for foreign labour, as one of the key issues in our economic behavior. What is the Government doing about such a demand? Do they have long-term plans for training local people to take over some of these jobs, so that the cost to the business will be less when it can be filled by indigenous labour?

What are we doing about the third area that the Member mentioned - building, construction and investment spending? Are we encouraging investment or are we putting stumbling blocks in the paths of the investor? What is Government doing about industrial activity? What are we doing about consumer spending? What are we doing about inflation, interest rates and savings?

You will recall that when we debated that mammoth tax package I raised the point that such a tax package could dry up the money available for savings to the average person, who would have to pay much more for the services that he used. If you examine the statistics attached to the Budget Address, you will see that in the area of savings we are not doing so well and when a person cannot save, he is not providing the funds which he will need for investment later on and his only recourse would be to borrow the funds.

If we look at the countries that handle their economies best of all, we will find that there is a high saving rate among the individual population. Countries like Japan and Taiwan have very high saving rates. We must not discourage the savings by imposing big tax packages which will take away what would be left over for savings.

The Member also mentioned the amount of CI currency in circulation and perhaps, this is the one area in which the individual does not have much control. It was heartening to hear discussions about the currency and that again this year, the Currency Board will be able to make a substantial contribution to the Revenue. This has been the custom for many years, but I believe of all the factors mentioned, the one which we should endeavour to improve, is that of the average length of stay of the tourist. Because it is the tourist who can afford to stay for a full week or more, who is more apt to leave a substantial amount of money in the Islands.

Quoting from the Budget Address: "Average length of stay by stay-over visitors peaked in 1987 at a little over 7 nights per visitor. In 1989, average length of stay per visitor was 6.63 nights, a marginal increase of 0.4 nights, over the 1988 low of 6.25 nights." So in 1989, we have the tourists staying for a shorter period of time, than the tourists two years earlier. I believe these are the things that should concern the Executive Council Members, not whether they can get their picture or a propaganda advertisement in the newspaper. These are not the things that are vital to our economy. Find out why the tourist is not staying?

I have spoken to hundreds of tourists over the last 12 months and the one complaint that I hear most often is that the Island is too expensive. I have never heard anyone say that they did not like the Caymanian people or that they were not satisfied with their hotel room, or that they were not treated well when they were out to North Sound; but very often we hear them say: "It cost us a lot for this vacation." I believe this is one area that we must address. Of course, I have been very kind to them, I have never told them what I should tell them, that the Government increases the cost every time the Legislative Assembly meets and that is why their stay here is so expensive. So, we have to work with the Financial Secretary to improve the length of stay of these air arrivals, because as the Financial Secretary said in his Speech: "As tourism turns, so does the economy turn."

What bothers me about what is happening, is that many of the policies which have brought us to our present state are being intensified, because the Government does not seem to realise that we have found the enemy, and that the enemy is us.

The Financial Secretary, in dealing with the seven points that I have touched on, made recommendations which I believe if followed can help to improve the situation. And throughout the Speech one theme stands out glaringly and that is, we are doing badly. On page 15 he says: "Overall, Capital plus intermediate goods imports show no significant growth in 1989 over 1988; and as a percentage of total imports, Capital and intermediate goods imports actually declined in 1989." The next paragraph: "And if production capacity contracted, the inevitable outcome is a slowdown in growth in the economy. Mr. President, the slowdown in industrial activity, combined with the previous assessment of an apparent fall off in the private sector demand for immigrant labour, support the assessment that the job creation capacity of the economy contracted in 1989, or at least stabilised."

So we have a gloomy picture in this Financial Report and I wonder if the Government, particularly the elected leadership, will address these problems or will they try to explain them away. If you look at this Speech, certain areas of concern were expressed in percentages. Had they been expressed in actual figures, the outlook would have been much graver or the bad situation would have been more apparent.

Speaking about consumer and private household spending, the Member bewails the fact that the increase in 1989 was only a 4.7 per cent increase compared to a 16.8 per cent increase in the previous year, and an 11.6 per cent increase in 1987. His conclusion to that section of his Speech is



this:

"So on all three measures growth in consumer spending appears to have slowed in 1989, compared to growth in the previous two years and when this happens, this is where Government will always fail to collect higher Revenues and these are matters of grave concern that must not be explained in such a manner that the public believes all is well.

Slower growth in the economy is reflected in a fall in demand, and almost every demand index I have examined so far shows that demand appears to have slowed in 1989."

What is bad about this is that the Member reports that this growth in the economy slowed for two consecutive years in a row, which to my mind, spells trouble. In the United States if your economic growth slows for two consecutive quarters, they believe the country is in recession.

Here we have been told that the year end figures will show that growth in the economy slowed for two consecutive years in a row. With no change in the attitude or policies in Government, and with the high prices of oil we may expect that this situation will continue to slow even further. The few little factors that appeared to have been good, upon close examination by the First Official Member, were found not to have been so good.

Speaking about the 'little higher' interest rates, he remarks, "From the savings and financial investment point of view this may have looked like good news. But from the borrowers' point of view, in particular mortgage borrowers, this may not have looked like good news, particularly if it is borne in mind that interest rates charged to borrowers normally have an inflation component added to them and for some borrowers a risk premium as well." If we apply these rates to interest on savings, I could go on to say that high interest rates are no good to the Caymanian population if they do not have the money to save.

I mentioned earlier and had been preaching it from June, that the heavy tax package would dry up the savings. On page 18, the Financial Secretary says about 1989, (and this will continue into 1990-91 when we get the figures), he says: "...the rate of private savings actually fell from the 32.6 per cent expansion in 1988, to a mere 9.6 per cent growth in 1989." So we have serious problems in every area of our economic activity. Problems which are not being addressed by our Elected Members responsible for shaping the policy of this country.

**MR. PRESIDENT:**

If I may interrupt you for one moment. It is just after half past four. Would the House wish to continue? There appears to be a certain reluctance.

**MR. G. HAIG BODDEN:**

It would be difficult for me as I have a prior engagement.

**MR. PRESIDENT:**

Member, please.

Well, you could always conclude quickly... First Official

## ADJOURNMENT

**Hon. Thomas C. Jefferson:**  
Monday morning.

I move the adjournment of this Honourable House until 10:00

**MR. PRESIDENT:**

until 10 o'clock Monday morning.

The question is that this Honourable House do now adjourn

against No.

I shall put the question. Those in favour please say Aye...Those

**AYES.**

**MR. PRESIDENT:**

Monday morning at 10 o'clock.

The Ayes have it. The House is accordingly adjourned until

**AT 4:32 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., MONDAY 19 NOVEMBER 1990.**



**MONDAY  
19 NOVEMBER 1990  
10:07 A.M.**

**MR. PRESIDENT:**

Prayers by the Third Elected Member for West Bay.

**PRAYERS**

**MR. JOHN D. JEFFERSON, JR.:**

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 we may be enabled faithfully to perform the responsible duties of our 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 the light of His countenance upon us and give us peace now and always. Amen.

**MR. PRESIDENT:**

Proceedings of the House are resumed.

**APOLOGIES**

**MR. PRESIDENT:**  
is indisposed.

We have apologies from the Elected Member for East End who

Questions to Honourable Members. Question No. 174 please.

**QUESTIONS TO HONOURABLE MEMBERS**

**THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE**

**NO. 174:** Would the honourable Member say: a) if there are any programmes in the Government school system which allow for the teaching of civics, local history and the merits of good citizenship; and b) if the answer is in the positive, how long have such programmes been in place?

**ANSWER:** Yes. These subjects have been a part of the curriculum for many years.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:**

Supplementaries. The First Elected Member for Bodden Town.

**MR. ROY BODDEN:**

Thank you Mr. President. I wonder if the Honourable Member could say if these subjects are taught from prescribed texts and, if so, who is the author of such texts?

**HON. BENSON O. EBANKS:**

Mr. President, in the case of the primary schools, the main text used at the moment is 'Primary Social Studies Text Book, the Cayman Islands'. It was written by teachers and other local personnel with the assistance of someone from the University of the West Indies and it was published in 1989, by MacMillan of the United Kingdom. In the case of the Middle School, they are using a unit called 'Cayman Then and Now'. This is with the help of photographs. The students look at buildings, transport, and clothing in Cayman from 50 years ago and make comparisons with our current development. In conjunction with that unit, they use a text called 'Grandma's School Days' and the work done with this text involves the students getting

information from their parents and grandparents about life in their school days. The unit deals with home life as well as school life and that is in order to give students a practical look at historical facts. To further supplement this, groups of students have been taught to make thatched rope and have collected artifacts from their homes to mount an exhibition on things Caymanians used long ago.

In all the years, subjects such as Government and changes in Government following general elections are looked at separately. Topics related to good citizenship are covered by both the High School and Middle School social education syllabi, much of which is produced by local teachers.

Year three at the Cayman Islands High School follows a course on Cayman heritage, culture and history. Year four and five students who are in a History option, do two projects on history around us, at present both projects take the remaining old Caymanian houses and study them and the people who built them.

Throughout the school, teachers are encouraged to use comparisons with Cayman when teaching areas of history not related to Cayman. Civics has always been part of the curriculum. Each primary school in the past constructed an individual syllabus which contained elements of these topics.

Since the academic year 1986/87, a standardised Social Studies Curriculum Guide for primary schools was produced by the Education Department in collaboration with teachers. Both the Middle and High Schools continue to write the chapters of their syllabus that deal with local history and civics.

**MR. PRESIDENT:**

The next question is No. 175.

**THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE**

**NO. 175:** Would the honourable Member say what is the function of the Lighthouse School in the Government educational system?

**ANSWER:** The Lighthouse School is an institution with specialised facilities and resources designed to assist children from pre-school to high school who are mentally, physically or educationally handicapped and who are unable to cope (from the beginning of their schooling) in a mainstream school environment. It provides for those with the most severe handicaps within the system.

The purpose of the school is to assess the needs of individual pupils and to provide relevant programmes to meet their needs and thus enable them to be as functional and as independent as possible at school, at home and in the community.

**SUPPLEMENTARIES:**

**MR. ROY BODDEN:** I wonder if the Honourable Member could say if it is an objective of the Lighthouse School, in cases where the handicaps are not extremely severe, to try to bring these students up to a level where they can benefit from mainstream education?

**HON. BENSON O. EBANKS:** Yes, Mr. President. The philosophy of the school is that all children are educable. Over the years some 24 students from the Lighthouse School have been transferred to normal schools.

**MR. ROY BODDEN:** I wonder if the Member could say if the success rate is such that a significant portion of these students does not have to be returned to the Lighthouse School.

**HON. BENSON O. EBANKS:** Mr. President, my understanding is these are students that have succeeded in the mainstream system.

**MR. PRESIDENT:**

Question No. 176, please.

**THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE FIRST OFFICIAL MEMBER RESPONSIBLE FOR FINANCE AND DEVELOPMENT**

**NO. 176:** Would the honourable Member say what are the procedures for claiming entertainment expenses in the government service?

**ANSWER:** Chapter 6, paragraph 10, of the Cayman Islands' Government General Orders lists those officers who under the Regulations are entitled to entertainment allowances. These allowances were upgraded in the 1990 salary awards, and are as follows:

(1) The Financial Secretary - CI\$2,400 per year;

- (2) The Chief Justice - CI\$900 per year;
- (3) The Attorney General - CI\$900 per year;
- (4) The Administrative Secretary - CI\$900 per year;
- (5) The District Commissioner - CI\$900 per year.

Any other officer who with the prior approval of the Financial Secretary entertains in his official capacity, may make a claim to the Financial Secretary for reimbursement of the cost of the entertainment. Requests for reimbursement must be accompanied by a guest list and original bills.

#### SUPPLEMENTARIES:

**MR. ROY BODDEN:** Thank you, Mr. President. I would like to ascertain from the Honourable Member if the only way 'any other officer' can have privilege to this expense allowance is with prior approval. If so, have there been any cases in the recent past of abuse?

**Hon. Thomas C. Jefferson:** The second part of the answer covers 'any other officer' who entertains or who wishes to entertain. 'Any other officer' would include Members of Government who wish to entertain, provided they get the prior approval of the Financial Secretary the bill will be paid and follow the rest of the procedure. There have been two incidents, but these have since been rectified.

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Could the Honourable Member give further details about the incidents, where and what the irregularity was?

**MR. PRESIDENT:** These are individual matters which I do not think it is appropriate to give in detail. Certainly, if you would like to give a general statement...

**Hon. Thomas C. Jefferson:** I think the answer in that case, Mr. President, is that the way in which the matter has been rectified is that the total of the entertainment sum has been reimbursed to the Government.

**MR. TRUMAN M. BODDEN:** Last question, Sir. Was this entertainment paid for which had not been properly authorised? The person, be they a civil servant, whatever, did they then have to repay the amount? Is this what he is saying, Sir?

**MR. PRESIDENT:** That is exactly what is being said.

**MR. W. McKEEVA BUSH:** Mr. President, this unapproved expenditure, can the Honourable Member say whether it is a senior member of Government or senior member of the Civil Service, or what?

**MR. PRESIDENT:** I have already ruled that you cannot go into individual cases like this. There has been no allegation of anything improper.

**MR. W. McKEEVA BUSH:** Sorry, I do not get you, Sir.

**MR. PRESIDENT:** I have said that the individual case should not be identified and discussed. It is an individual matter within the Civil Service Regulations and, as the Honourable First Official Member said, it has been dealt with and corrected.

**MR. W. McKEEVA BUSH:** What I am trying to ascertain, Mr. President, is whether it is a Member of the Elected Executive Council or whether it is a civil servant.

**MR. PRESIDENT:** I have already ruled that question will not be put in that form. The individual will not be identified. I have ruled on that. So please go ahead on the general principle. There is no problem with that, but not the individual case.

**MR. W. McKEEVA BUSH:** Mr. President, that would not help me. We have had the general case, we want it identified. Thank you

**MR. PRESIDENT:** Alright. Any further supplementaries?  
The Third Elected Member for West Bay, Question No. 177,  
please.

**THE THIRD ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS WORKS AND AGRICULTURE**

**NO. 177:** Would the honourable Member say if there is a programme in place to ensure that all cemeteries are properly cleaned and maintained?

**ANSWER:** There is no programme in place to ensure that all cemeteries are cleaned and maintained. Government has a programme of cleaning the grounds of public cemeteries only. The programme is carried out by the Department of Agriculture with some assistance from Environmental Health. The following cemeteries are included in the programme:

West Bay: West Bay Cemetery; Boatswain Bay Cemetery; North West Point Cemetery.

George Town: Dixie Cemetery; Prospect Cemetery; Spotts Cemetery.

Bodden Town: Pease Bay Cemetery.

East End: East End Cemetery; Gun Bay Cemetery.

**SUPPLEMENTARIES:**

**MR. JOHN D. JEFFERSON, JR.:** Thank you, Mr. President. I am glad to hear that there is a programme in place. How often is this service carried out?

**HON. LINFORD A. PIERSON:** On a regular basis, Mr. President.

**MR. PRESIDENT:** The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:** Mr. President, I wonder whether the Honourable Member would give us an undertaking that he will have the West Bay Cemetery, Boatswain Bay and the North West Point Cemetery cleaned. If I could explain, I am not talking about people's individual plots, but the walk ways in the cemeteries are in very bad condition. Usually we try to get something done before Christmas and hopefully the Member could give an undertaking as such.

**HON. LINFORD A. PIERSON:** Mr. President, that is now currently being done. I give such an undertaking.

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Mr. President, I wonder if the Honourable Member would add George Town's public cemeteries to that. But secondly, would the Honourable Member say whether the programme includes the maintenance of the fences, the painting and that sort of thing?

**HON. LINFORD A. PIERSON:** Mr. President, we will certainly look into these matters. The problem with the cemeteries was because of the inclement weather, there was more bush than normal to be cleaned. I should also mention that effective 1st January, 1990, that the cleaning of cemeteries will be under the supervision of the Environmental Health Department.

**MR. W. McKEEVA BUSH:** Mr. President, when the Honourable Member said this is currently being done, did he mean cemeteries in general, or with specific reference to the three cemeteries in West Bay?

**HON. LINFORD A. PIERSON:** It is my understanding from the Chief Agriculture Officer that, in particular, the West Bay cemetery is being cleaned up this week and other cemeteries will likewise be cleaned up.

**MR. W. McKEEVA BUSH:** Will they be done this week?

**HON. LINFORD A. PIERSON:** It is commencing this week.

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

**MR. JOHN D. JEFFERSON, JR.:** Mr. President, the Member mentioned that the cemeteries are being cleaned regularly. What is his definition of regularly? Is it monthly, quarterly, semi-annually or annually?

**HON. LINFORD A. PIERSON:** It is done on a rotation basis at least once a month.

**MR. PRESIDENT:**  
Member for West Bay, Question No. 178.

Shall we go to the next question then? The Third Elected

**THE THIRD ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE SECOND OFFICIAL MEMBER RESPONSIBLE FOR LEGAL ADMINISTRATION**

**NO. 178:** Would the honourable Member provide this House with an update on the review of the Elections Law as called for and approved by Private Member's Motion No. 4 of 1989?

**ANSWER:** Due to the competing priority given to the work of other Select Committees, it has not been possible to give attention to this review.

**SUPPLEMENTARIES:**

**MR. JOHN D. JEFFERSON, JR.:** Thank you, Mr. President. I wonder if the Honourable Member would advise whether or not it is intended that this review will be completed before the next General Election?

**HON. RICHARD W. GROUND:** Mr. President, the review is being conducted by a Select Committee. It is their intention, not mine, that would matter and count. I would hope that it could be conducted before then, but it would be up to the Committee when we can call it and find time to give attention to this.

**MR. PRESIDENT:** I did not call that as a hypothetical question but it almost is.  
Next supplementary please.

**MR. JOHN D. JEFFERSON, JR.:** Thank you, Mr. President. I wonder if the Honourable Member would confirm whether or not he is Chairman? It was my understanding that the Chairman always calls his committees.

**HON. RICHARD W. GROUND:** I can confirm that I am Chairman. In fact, that is why I am answering the question and not the Third Official Member to whom it was first addressed. Yes, the Chairman does call the Committee meetings.

**MR. JOHN D. JEFFERSON, JR.:** I know the House has been very busy with committees and we have dealt with a lot of important committees, but I think this is a very important matter. I wonder if the Honourable Member would give an undertaking that time will be allotted, at least for the first sitting of this Select Committee, so that we could start reviewing the Election Law.

**HON. RICHARD W. GROUND:** Yes, I will call a meeting. The question remains when. The House does have other committees. It has the Immigration Select Committee, which all Members have indicated is urgent, and is at the moment wading through a large number of careful and detailed considerations from the members of the public. It was the expressed urgency of that committee and the Immigration review which was the principal reason this has been knocked sideways.

I now note from the earlier passage of a Motion during this Assembly that the Elected Members will now be going on to consider their position on the Constitutional review. I am sure that they would want that to take precedence to this.

Yes, I will give this urgency but I have some difficulty in saying when, in view of those other commitments.

**MR. PRESIDENT:** Question No. 179, please. The Third Elected Member for West Bay.

**THE THIRD ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS, WORKS AND AGRICULTURE**

**NO. 179:** Would the honourable Member say what progress has been made to reviewing the watersports industry as called for and approved by Private Member's Motion No. 27 of 1989?

**ANSWER:** Due to the deliberations of the Select Committee on the Caymanian Protection Law (Immigration Legislation) and to the mid-year review and reassignment of certain responsibilities by the Governor, the Committee on the watersports' industry has been unable to meet.

**SUPPLEMENTARIES:**

**MR. JOHN D. JEFFERSON, JR.:** Mr. President, excuses, excuses. We are almost finished now with the Cayman Protection Law Review, or Immigration Law. I know the House is busy, but would the Honourable

Member say whether or not it is planned that this Committee will be held in the very near future?

**HON. LINFORD A. PIERSON:** Mr. President, the deliberations on the Caymanian Protection Law have still a way to go. But I am sure that as soon as this is done a meeting will be called. As I mentioned in the substantive answer, the responsibilities for this subject is not going to be mine in the future. It will be assigned to the Honourable Member for Education, Environment and Culture and I imagine he will attempt to call a meeting as soon as is possible on this committee.

**MR. PRESIDENT:** The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:** Mr. President, the Committee on Immigration has only been meeting once a week and we only started within the last month to meet after a long break. I am wondering if Members of Government could give an undertaking that, with all the committees before the House, they will set more days during the week to meet?

**MR. PRESIDENT:** The question is whether the Government will give this undertaking, I am not quite sure which Member.

**HON. LINFORD A. PIERSON:** Mr. President, it was agreed by all Elected Members that the Protection Board Law Review would be given priority. This was a matter that each Member agreed upon. As I mentioned earlier (and I think I speak for the other Elected Members) we will attempt to deal with these other committees which Members accepted were not quite as important as the Protection Law as soon as possible.

**MR. W. McKEEVA BUSH:** I thank the Leader of Government for that answer, but the question was that we were only meeting once per week on the Immigration Law and there are five working days.

**MR. PRESIDENT:** Perhaps it would be useful for all Members to get together and review the priorities of these various committees.

**MR. W. McKEEVA BUSH:** No, Mr. President. The question is, will the Government give an undertaking that they will get more committees meeting during the week?

**MR. PRESIDENT:** I think that undertaking was given, that attention would be given to the meeting of committees. I think that was given. There seem to be no further supplementaries on that one.

The Second Elected Member for Cayman Brac and Little Cayman, Question No. 180, please.

#### **THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE**

**NO. 180:** Would the honourable Member say why have major staff changes been made in Cayman Airways Limited in recent times prior to the study being undertaken which was approved by the Legislative Assembly?

**ANSWER:** Cayman Airways Limited must continue to conduct its business in its best interests, and the pending study does not preclude the Airline from making any changes it considers necessary.

#### **SUPPLEMENTARIES:**

**MR. GILBERT A. McLEAN:** Mr. President, the major staff changes relate to the appointment of a new Managing Director and the removal of the prior one to a another position in the Company. Does this not bring about considerably more expenses in the area of staffing and was this wise?

**HON. W. NORMAN BODDEN:** Mr. President, based on the recommendation which I received from the Company, it does not create any additional expenditure for the Company. I think it is a decision that the Company feels will better suit its own purposes and this change does not affect in any way the study that is proposed to be undertaken and carried out in accordance with what has been decided.

**MR. GILBERT A. McLEAN:** Would the Honourable Member say if this particular aspect of management be taken into account when the study is undertaken in Cayman Airways?

**HON. W. NORMAN BODDEN:** As part of their terms of reference, I think that the consultants will look at the organisational structure of the Company as well.

**MR. GILBERT A. McLEAN:** In the event that the study does examine the situation and they consider that changes should be made in the decision that was taken by Cayman Airways, is there any possibility that the airline will allow such a change?



**HON. W. NORMAN BODDEN:** Mr. President, the question is really not very clear to me, but I think what the Member is asking, and maybe if I am wrong in that understanding he can correct it, when the consultants examine the organisational structure of the Company and they were to determine that that change should not have been made, whether the Company will then be in a position to either take corrective action or to do whatever it considers that is necessary to be done at the time. I see no problem with that. I am not trying to predetermine what will be the outcome of the study, once it is undertaken, but, I fail to see where any consultancy of any repute would feel that if the Company had a Caymanian in its organisation who was experienced, competent and able to fill that position, why they should not be given the opportunity to do so? That is just a comment in passing.

**MR. PRESIDENT:** The next question is from the Second Elected Member for Little Cayman and Cayman Brac, No. 181.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE**

**NO. 181:** Would the honourable Member say if any changes of the time frequency of flights to Cayman Brac by Cayman Airways' jet aircraft are contemplated with the beginning of the tourist season?

**ANSWER:** The Cayman Airways' winter schedule effective 16 December, 1990, including Cayman Brac has already been published. With only slight variation in times it is essentially the same as the current schedule. One major change is that morning departures to and from Cayman Brac will now be at the same time daily except on Tuesdays.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. GILBERT A. McLEAN:** In determining the changes in the scheduling of the jet aircraft, was there not any opportunity for the airline to change the flight times to and from the Brac, to a later time in the morning?

**HON. W. NORMAN BODDEN:** Mr. President, some consideration was given to that. Due to the other commitments and the fact that the Company is operating two aircraft at the present time, it was not possible to arrange a schedule in such a way that the departure times from here to Cayman Brac could have been later, which would have been, in most instances, more convenient to the travelling public.

There is one advantage about the early departure from Cayman Brac and that is that it provides onward connections from Cayman Brac to any destination in any part of the world. It is true that they have to leave early in the morning, but a person can leave the Brac and make connections at Miami and their onward journeys to any destination without incurring overnight expenses at any of the stops.

**MR. GILBERT A. McLEAN:** Would the Member say if the time scheduling is in any way affected, other than the mornings, by stopover times here in Grand Cayman in off-loading and reloading on the plane again?

**HON. W. NORMAN BODDEN:** The stopover times are somewhat affected because it does take quite a bit of time for passengers travelling to Cayman Brac via Grand Cayman to be processed here at the airport, to go through Customs and Immigration, claim their baggage and then get back on board the aircraft to continue their journey. However, this is a matter that is under constant review between the airline, the airport officials and Immigration and Customs to see how they might be able to improve and facilitate the stopover in Grand Cayman.

**MR. GILBERT A. McLEAN:** As the Member is aware, this is something that there are constant complaints about and I think rightly so. Would the Member give an undertaking to give this a serious priority in terms of what his Portfolio and the airline might be able to do to try to rectify that situation, so that could actually be eliminated?

**HON. W. NORMAN BODDEN:** We will do our best, Mr. President. As the Member asking the supplementary question is aware, there was a procedure in place where passengers destined to Cayman Brac were able to remain on board the aircraft and I think this is the preferable procedure. However, Customs in particular were not very satisfied with this arrangement and it was changed some months ago. I believe that it is being examined again to see whether we might not be able to revert back to what we were doing originally, which is more convenient to the travelling public.

I will do my best to pursue this to see if we can convince the authorities that this would be the best method of handling passengers to Cayman Brac, who are in transit in Grand Cayman.

**MR. PRESIDENT:** The final question on today's Order Paper. The Second Elected

Member for Cayman Brac and Little Cayman.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE**

**NO. 182:** Would the honourable Member say what is the present status of Cayman Airways Limited's Shorts aircraft?

**ANSWER:** The Shorts aircraft owned by Cayman Airways Limited is still awaiting sale. No firm offer has been received to date.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. GILBERT A. McLEAN:** Would the Honourable Member say if the aircraft is in a workable and saleable condition at this time?

**HON. W. NORMAN BODDEN:** Yes, Mr. President. It is being maintained to an air worthy standard.

**MR. GILBERT A. McLEAN:** Would the Honourable Member give an indication as to what the cost of maintaining the aircraft in a holding position 'for sale', is to Cayman Airways at this time?

**HON. W. NORMAN BODDEN:** Mr. President, I would not have a separate figure for that because the maintenance crew devote a portion of their time to ensure that it is kept in an air worthy condition. I do not think it would really be a very costly exercise.

**MR. PRESIDENT:** The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Would the Honourable Member say where the Shorts is being maintained, here or where?

**HON. W. NORMAN BODDEN:** The aircraft is being maintained at the Maintenance Department of Cayman Airways at Owen Roberts Airport.

**MR. GILBERT A. McLEAN:** Mr. President, a supplementary. Sometime back in reply to a question or it may have been an official release, it was said that the aircraft was going to, if I remember correctly, Oppa Locka to be checked or maintained or undergo some major maintenance. Was that carried out? What is the position on it?

**HON. W. NORMAN BODDEN:** Mr. President, that maintenance check was carried out on the aircraft. It was flown to Oppa Locka and the check was carried out. That had to be done at intervals based on the utilization of the aircraft. I do not think there is a check pending on that at the present time, at least not to the best of my knowledge.

**MR. GILBERT A. McLEAN:** Mr. President, it was my understanding from that release that the chances of selling the aircraft were better if it was kept in Miami where apparently there is some in operation or it would be easier for inspections. Is there any fact to that?

**HON. W. NORMAN BODDEN:** I am not aware of that, Mr. President, but certainly it would be more costly to maintain if it were to be kept in Miami.

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

**MR. JOHN D. JEFFERSON, JR.:** Thank you, Sir. I wonder if the Honourable Member would say, what is the asking price for the aircraft?

**HON. W. NORMAN BODDEN:** US\$600,000, Mr. President.

**MR. JOHN D. JEFFERSON, JR.:** Supplementary. How much did we pay for it and how long did we keep it?

**HON. W. NORMAN BODDEN:** I believe the cost of it was a C\$1 million or US \$1.2 million. I think we operated it for about three years.

**MR. TRUMAN M. BODDEN:** Would the Honourable Member say whether the value of it has recently been written down or depreciated and to what amount?

**HON. W. NORMAN BODDEN:** The value of it has been written down, Mr. President. I think it is in note 11 of the Cayman Airways audited accounts which I tabled a few days ago.

**MR. GILBERT A. McLEAN:** Mr. President, a supplementary. Would the Honourable Member say if in light of the seriously reduced value to that aircraft now, if Cayman Airways did not pay too much? And what has caused the immense write-down now?

**HON. W. NORMAN BODDEN:** Mr. President, the buying and selling of aircraft depends on the market value at the time. And the market value fluctuates from year to year. I think when Cayman Airways bought the aircraft it was acquired at fair market value at the time. Of course the value of the Shorts Aircraft, in the past year or so, has not been maintained at a very high level. This is part of the reason of the write-down to see if we might not be able to sell the aircraft at a reduced price.

**MR. PRESIDENT:** Item 3 on the Order Paper, the continuation of the debate on the Second Reading of The Appropriation (1991) Bill, 1990.

## GOVERNMENT BUSINESS BILLS

### SECOND READING

#### THE APPROPRIATION (1991) BILL, 1990

(Continuation of debate thereon)

**MR. PRESIDENT:** The Second Elected Member for Bodden Town, continuing.

**MR. G. HAIG BODDEN:** Mr. President, in the large deficit which we are facing, there is one item that needs to be addressed and that is the high cost Government is paying for the rental of office space.

This has come about because the present Government has failed to plan, or has failed to keep up with the growth in the Civil Service. We know that the Government is now renting space in some of the expensive new buildings like the British American complex. It is my understanding that they may even be taking space in the new, yet unfinished building next to the Tower Building.

This lack of planning to provide the physical space for buildings is costing us a lot of money and costing a lot of inefficient performance in other areas apart from office space.

We recently mentioned here the sad state of affairs at the Police Headquarters, at the lock-up and at the prison. In the last meeting of the House, a question was answered concerning the overcrowding in the schools at Savannah, George Town Primary and West Bay Primary. All this shows is that the Member responsible, together with the Executive Council has failed to plan.

Only a few years ago when the Tower Building was purchased, the Government at that time was adequately supplied with office space. It took several years for the Government to fill up that building. Since that time there has been no forward planning. We are paying a high price for it today, simply because the Government's efforts have been directed in other areas not so vital nor necessary.

On page 29 of the Budget Address, the Financial Secretary addressed the question of unemployment. It seems that while everybody else knew about it, it took the Government by surprise. The 6.2 per cent unemployment figure in 1989 was known to everybody else, as people were seeking jobs and finding that the jobs which they had previously enjoyed had dried up. Is this any wonder? If one were to go to a few of the establishments on the West Bay Beach (which I could call by name if I wanted to) you would find in the restaurants at lunch time not one single Caymanian waitress. If you walk into some of the hotels you will find the same thing. I do not know the reason why. With this high rate of unemployment the Member for Tourism continues to bring in workers for our hotels.

There is also an alarming feature of this unemployment. A feature for which the planners, the Elected Members of Council are directly responsible. We see that in East End for example, the unemployment rate is about 50 per cent the average for the national figure, this I imagine is simply for two reasons: One is that East End is very far away from where the jobs are, and the high cost of commuting to George Town and finding lunch discourages some workers. Particularly those that may take jobs that do not pay very much, such as some of the lower jobs in the hotel industry and so on. The other reason is that in the last six years, I cannot think of any new project in that district which would provide any substantial jobs for the people. We have the same problem in Bodden Town, West Bay, Cayman Brac and North Side.

However, I am certainly glad that the Financial Secretary has highlighted the seriousness of this situation and reading from the last part of the last paragraph of his speech on page 30 he says: "Mr. President, we may choose to interpret the figures on the unemployment or jobless rate in different ways, or even to ignore them; ..." [and had I been writing it I would have added - to ignore them as the Elected Members of Executive Council seem to be doing] "... but no amount of different interpretations or pretense can hide the fact that the Census data has unearthed information which shows that there is some amount of idle human resources in the economy, and that although this may not look like a critical development issue of alarming proportions at this moment, it is nevertheless a development issue that merits development policy considerations."

Knowing the Caymanians that worked so hard in the past, under the most trying and difficult times, I can say that these unemployed are not unemployed because they are too lazy

to work. They are unemployed (and he touched on this a little) perhaps for two reasons: One is that the jobs they would like to do are not available and perhaps the jobs that are available, they are not trained to do. This is where this Government has failed because one of the things that had been going well for us was the Hotel School. There is no reason why, if this had been developed and given the same attention that many other non-essential items were given, that the Hotel School could not have produced the workers qualified to man the hotels.

The Financial Secretary touched upon the financial community's confidence in the economy. The financial community is always afraid in any country of minority Governments where the will of the majority of Elected Members is not carried out. Nothing disturbs the confidence of investors if they feel we are anywhere near simulating a situation that the voice of the majority of the Elected Members does not carry. This is something that needs to be corrected. The Financial Secretary has given a warning in his speech, although he does not perhaps put it as forcefully as I would have liked to have seen it put.

The plain fact is, in my opinion, since the change in Finance Committee the Government has not been functioning smoothly. We saw this from the many times the last Finance Committee meeting had to be postponed, when urgent matters and meetings were shifted several times. I believe the one thing that shook their confidence most was the removal of the Financial Secretary as the Chairman of Finance Committee. Since June we saw a large surplus in the Government, which was given in an answer to a question that I brought, converted to an CI \$18.3 million deficit. Certainly, this shows that investors are hesitant and that people are not spending, and people are running scared.

I had touched on two of the projects which Executive Council has been giving the Bodden Town district a hard time with. But there are several other projects that need to be addressed quickly. One of them is the call for a four-way stop at Savannah. I believe the question of putting in a four-way stop like the one that works so well at the hospital was first raised by Mrs. Rhoda Forbes in a public meeting in Savannah some time before the 1988, elections - somewhere between 1984, and 1988. The Government has been aware of this need because there have been accidents at this spot, including one fatal accident. Yet no action has been taken. It is true that some work has been done on a fence that was removed and replaced a little further off the road, but we would like to see those signs there saying 'stop'. That is all. Let us try it out and see if it works. Maybe this is not the answer. But what we know from experience that there were two very bad intersections, one at West Bay and one at the Hospital and both of them have been helped, have been cured. They are working.

This is not a scheme where you would have to bring in a consultant, pay a big fee, spend a lot of money. So this is not something that would even warrant the usual hard-hatted person getting his photograph taken. We must perform and sometimes matters can be cleared up for little or no money, with little or no effort. Again, I am making the call that Mr. Roy Bodden, Mr. Franklin Smith and Mr. Jim Bodden and I have made for several years now, please put in that stop sign at the Tall Tree.

We are grateful that some lights are being put at the hard court in the Civic Centre in Bodden Town. However, from my inspection and from advice from my colleague from Bodden Town, we are not satisfied with the positioning of those lights as we believe that the poles will interfere with the use of the field. We are certainly asking the Member, when he has the time, to go out and inspect this job so that it may be corrected.

Just before the start of this Meeting, we visited the prison in Northward. And I must say, after seeing the lock-up in George Town, I can understand why people on remand prefer being sent to Northward rather than Hell in the pig sty, that is, the police lock-up in George Town. The prison at this time appears to be well run, I was impressed with the relationship between the prisoners and the officers of the prison. I did not personally hear a single complaint about any prison officer. However, things are so good that it seems to me they are in danger of having the prison run by the prisoners. For matters of discipline I think we will have to watch the situation. Right now all appears well.

I notice that, finally, work is being done on the office for the MLAs in Bodden Town. The last time I was there, I noticed that there was a sign on the door saying 'MLA Office'. However, the door was closed and I do not know if any work has been done inside. This is very comforting because I believe it was in 1985 that this House passed the resolution that they would put up MLA offices.

We were invited to Bodden Town to help the Government select a site for an MLA office and I told the person who called me that there was no necessity to go out to Bodden Town to rent or build an office because the Civic Centre has two small offices which could be used. All we needed to do was put in a telephone and an air-conditioner and that was the end of the story. Of course, the Government went on to renovate a part of the little building in front of the Town Hall in North Side for the Member for North Side. Although the Bodden Town District could have been given an office at less cost than any other district, it has not been done.

I am calling on the Government (if they are big enough) to quit their politics and start doing what has to be done; quit considering which Member will get the credit if it is done in his District. There has been too much of this and the Island has suffered just as the Bodden Town children are suffering because of the lack of the playfield which the Second Elected Member for Executive Council will not build.

**MR. PRESIDENT:**

Is it convenient to take the morning break there?

**MR. G. HAIG BODDEN:**  
two more minutes.

Yes, I could finish in about two minutes, if you would give me

**MR. PRESIDENT:**

I am sure Members would be happy to go on. Please continue.

**MR. G. HAIG BODDEN:**

the areas in which I think the Government is falling behind.

I could go on for a long time but I have tried to point out a few of

I would only trust that the Government will find it in their heart to sit down with the Members and to make amendments to the Budget which has been presented so that some of the problems can be remedied. I speak specifically of that vote for the design of the new hospital and the vote for the sector road. I do not know what that means, really, but I think it has something to do with the Master Ground Transportation Plan and that the funds from these two areas can be taken and divided up amongst the districts with the major portion going to Cayman Brac and Little Cayman so that these districts may get some of the facilities that are needed. This is my final statement: it is all right for people to win gold medals at CARIFTA games and all of it. I like it. But it is those thousands of children who never make the headlines that we need to take care of.

**MR. PRESIDENT:**

Proceedings are suspended for fifteen minutes.

**AT 11:24 A.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 11:49 A.M.**

**MR. PRESIDENT:**

Proceedings are resumed.

Debate on the Second Reading of the Appropriation (1991) Bill, 1990, continuing. Does any Member wish to speak? The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:**

Mr. President, this debate is too important for me not to take advantage of my right to speak on it, even though it would have been good to have heard what the Elected Government's views were on the gloomy picture that this Budget has painted. I will be dealing in some detail with certain areas that I will briefly set out at the beginning.

First, what is shown by the Budget is a deficit in 1989 of CI\$18 million. Second, the projected 1990, Revenue and Expenditure figure show a further short-fall of \$13 million, in that all of the Capital Expenditure has to be through the raising of loans of which a Bill has now been circulated. Third, in 1989 and 1990, the shortage or the expenditure in excess of the revenue for 1990, and the projected in 1991, will be the CI\$18 million for this year 1990, and the projected for next year of CI\$13 million raised in loans are approximately CI\$31 million. Fourth, I will deal with the public debt which is now CI\$30.5 million and of which another CI\$13 million would be added in 1991 together with an of CI\$30 million in Civil Service pensions that have to be met in due course. Fifth, the percentage of the recurrent revenue debt service will be dealt with. Sixth, I will show in my view, the increasing of revenue by some CI\$10 million for the projected 1991, over 1990, when the economy has slowed and is slowing down, to me seems unrealistic.

I will then go on to deal with stability and show where this, through the uncertainty in certain areas and the inflation which is on the rise, unemployment which has struck us for the first time with full impact, as far as getting figures on it goes, has helped to erode the stability of the Cayman Islands.

With Cayman Airways, I will deal with what its true Law says and then I will go on to deal with the George Town District itself and areas that I feel there should have had work done over the past few years.

The position at present as presented in the Budget for this year 1990, shows an estimated deficit of approximately CI\$18 million. That is a very frightening sum when we realise that there has been a considerable deterioration in the economy of the country. That I will show. At the same time there has been a serious overspending on the part of the Government.

The Government has operated on the basis of what I regard as deficit supplementary expenditure. The way that works is clearly borne out in the estimates this year, the estimates last year and has now finally reached a stage where reality has come home.

The way that this operates is that you take a project and you put in only a part of what the cost for the year will be. The project is CI\$2 million, you put CI\$1 million in this year to balance the Budget, and you pick up \$1 million next year. That works until it reaches a stage where that sum gets so large that it can no longer be carried forward and the splitting of expenditure cannot go on.

We saw that with the supplementary expenditure for the Government this year, that is, expenditure in excess of what was projected in the Budget in November last year, reached in excess of CI\$14 million. That finally reached a stage when the day of reckoning came and we have now seen that the Government is coming to grips with it. I submit that the Budget in the past year or two has been balanced on the basis of putting, in some of the projects, only a part of the cost in, and then in the middle of the year, or some time in the following year, there are heavy supplementary approvals.

That is clearly borne out once again, even though this amount has now been had to reckon with. There are some I think, 30 odd \$10 votes in the present Estimates for 1991. These are amounts which the Government regards the projects as important or essential, but for which the Budget cannot sustain the expenditure. So \$10 votes have been put in to keep the vote open. While not an unusual approach, when it is abused by going too far with it, then finally the day of reckoning comes and that is why at present, the revised 1990, deficit is CI\$18.3 million.

Most worrying is how that deficit is going to be dealt with. It can be dealt with in two broad ways. Either you can reduce expenditure for the coming year, and that will have the effect of ensuring that the Government stays within its financial means, or money can be taken from the General Reserves of the country and the accumulated surplus. Or it can be borrowed.

As I see it, the Government has taken the two easiest courses. Firstly, they have wiped out the carried forward surplus of CI\$11.8 million which had been accumulated over the past few years, and they have transferred CI\$7.8 million from the General Reserve. That CI\$7.8 million is in fact, in excess of one third of the General Reserves of the country and that has now been reduced to a sum at present, of approximately CI\$11.8 million. Down from CI\$19.5 million to CI\$11.5 million.

That General Reserve is the country's lifeline. It is what has been put aside for a rainy day and it should never ever be touched unless it is absolutely necessary. It should be kept in the event of necessary and emergency expenditure in the country.

This pillaging, of the carried forward surplus or accumulated surplus and of the General Reserve, is the easy way out. It is the easy way out. It is a pool of money that sits there and can easily be dealt with, provided that you control Finance Committee, which apparently the Government now does, by simply transferring over from the savings, to cover expenditure that has been carried out by Government.

Any fund that is easily available (which other funds generally, such as pension funds are also subject to being attacked by Government when they need money) gets around the Government having to come up with new Heads of Revenue. It gets around improving the efficiency in the collection system of the Government and basically, it is the easy man's way out.

As I have said many times, it does not take too sensible a person to spend money, but it takes a very prudent and sensible person to save it and to spend within their means.

In reality, for this year we are showing a loss or a deficit of the CI\$18.3 million and we have raided the savings of the country to cover it. That would not be so worrying if coming forward we saw for 1991 a situation which was going to materially improve. It must have been known to the Elected Members of Government at a much earlier stage than when this Budget came out, of the serious financial position that this Country is getting into. The corrective steps should have been taken at a much earlier stage to deal with ensuring that this position would not be carried forward into 1991.

We must remember that with the Reserves where they now stand it is not possible to realistically go back into those Reserves and take money out for 1991. We must leave sufficient in there, in fact, there should have been left the equivalent of three months Recurrent Expenditure which is now down to less than 10 per cent. This is just a little bit over a month's expenditure of the Government. The year 1991 has a further projected cash shortage that is being covered by loans of some approximately CI\$13 million.

We have a position in 1991, where there will be nothing to put back into the General Reserve and the country will have to borrow to pay its bills for the Estimates that the Government have put forward. The borrowing of funds is once again the easy way out for a Government.

We know that Governments in the Caribbean, and elsewhere, have been plagued and countries ruined. Thus, its people made sufferers as a result of heavy borrowings and the resultant debt expense that goes with it. And finally, despite what may be said about colonialism, if one falls to where that is replaced by the International Monetary Fund or some other organisation, they are then placed in a position of harsh economic restrictions on countries and their people. We have to be cautious, as has been the situation at least up to the present time, not to put this Country in debt beyond a stage that is prudent. The present public debt at the end of the year will stand at approximately \$30.5 million.

It is estimated in the Estimates that a further CI\$13 million will have to be borrowed to pay for the Capital expenditure of this country. In fact, this is the first time I am sure, that the total Capital expenditure of this country has been paid for through borrowings. In effect, for 1991, the Government expects to make only sufficient to cover the Recurrent Expenditure or matters such as civil servants' salaries and costs which are recurrent, including the servicing of the debt.

We will see in the matter of one year, that there will be nearly a 30 per cent increase in debt. Debt, which I assume, is going to have to be borrowed from commercial banks or the Caribbean Development Bank. This debt will probably have a commercial rate of interest (at least those coming from the commercial banks) and may not have the length of time for repayment that has been seen in the past for loans from the Caribbean Development Bank.

That is a very frightening thing, because at a time like this with the economic uncertainties that exist worldwide, it is very hard to predict what the cost of servicing those loans could be in the short term, much less the long term.

Now, we find that Government revenue is short last year CI\$18 million, and this year CI\$13 million, which is an amount of approximately CI\$31 million. We know further, that there are sums estimated at nearly CI\$30 million that will have to be provided for. Some of this has started to be provided for, with the Civil Service and retirement pensions. Adding this together, you are looking at approximately CI\$70 million that is owed by the country and it is just not perhaps good enough to shy away from what is owed and what has accrued on the pensions for civil servants because ultimately, this has to be dealt with. So we are finding that a country that has been fairly well debt free (because by and large there were sufficient General Reserves to substantially cover debts) we are now moving into a position where when we get into the range of CI\$40 million, it is going to be more and more difficult to stop that borrowing.

This year Government should have put in the Estimates measures that would deal with a reversal of 1990's and 1991's cash shortages to provide a permanent remedy. Because what is being done now is only temporary. Borrowing and transferring from Reserves is a short term and a temporary measure. Ultimately the problem has to be met because the day will come in the not too distant future, when the country can no longer borrow any more money and it will no longer have money. The country at present, in my view, no longer has sufficient in its General Reserves that can be gone into for Government's spending.

All of this in my opinion has been contributed to by Government's view as expressed by a Member of the Elected Government, that Government must have its way.

They have had their way and the people are now going to pay very dearly for it. It is one thing having your way and being successful and it is another thing having your way and being a failure and passing it on to the Electorate, the public of this Country.

If there is not a very early and substantial reduction in the expenditure of the Government, then there is no alternative but to have borrowing or to put taxes on the people. It is one or the other. Borrowing is merely a short term measure that is going to put off Government dealing with its real problem of over spending when it has its way.

The position is bleak and I would, at a later stage, deal with the position of what I calculate the cost in a percentage of local revenue to be to service that debt and to show why the time has come, in my view, for the Government to face reality.

While on this subject, there is one area where I believe Government is not prudent in its estimates for 1991, and that is that there is an increase of about C\$10 million in its projected revenue for next year. If this year, Government failed to reach its estimates by \$2 or \$3 million or approximately 2.5 per cent, then it seems to me that it is not practical to believe that with a falling economy and an uncertain and falling economy worldwide that Government will be able to raise a further C\$10 million or there about.

I say that because from the projections seen in the Budget (which was very ably presented and supported and cross supported by economic data, and which I am happy to say I found very convincing by the cross support of the conclusions of the data which is unusual sometimes, with economists who like to use the phrase of 'other things being equal') I am convinced that what is set out is a very practical and realistic approach of the economy and areas that it deals with - despite the fact that there was a C\$10 million tax imposition brought in a few months ago.

When I come on to deal with matters such as inflation and unemployment, I believe it is unrealistic to expect that is going to raise the amount of money that it was projected to raise because in the final analysis it is what the people can afford and what the economy can support. As the saying goes 'you can not get blood out of a stone'. If there is not sufficient money for people to pay or there is not a sufficient increase in areas of the economy, then you will not get the revenue that is projected.

I foresee that Government will have to do its homework on how it is going to reduce its expenditure or produce new Heads of Revenue. In light of the C\$10 million recently put on them, it will have to be revenue, other, than what I see now has been put on the local people, I think it must look at a part of the C\$10 million increase in revenue also being covered in that way.

The country is at present in a difficult financial position. Can you imagine where the country would now be if not for the Backbenchers who stopped what would have been extremely heavy spending which would have come into effect this year?

The Government was headed for approval, and had supported approval of the Master Ground Transportation Plan which could have gone into the hundreds of millions of dollars. Besides that, realistically, there would have been commitments on that and the hospital which was estimated in excess of C\$20 million for both hospital sites.

The third area was the heavy expense on the hospital consultants. If this had not been stopped then our situation now would have been an extremely crucial situation and one that could well have reached a crisis situation. We have to remember that if a section of these projects had been approved and contracts signed for them, then the Government would have been committed legally to paying for the work done. By an attempt to get out of any legal commitment that arose, alternatively, they would have had to pay heavily if there was a breach of contract. I should say termination of contract rather than breach.

At that stage the Elected Members of Government should have known where the economy of this country was going, because we see that over the last 21 months there has now been the tendency for us to begin slipping into a downward economic trend. They must have known eight, nine, 10 months ago when we sat down to deal with that Budget for this year, that the country could not realistically afford to spend C\$20 or C\$30 million on a project and whatever amount the stage of the MGTP would have taken - be that C\$20, C\$30, C\$40 or C\$50 million.

The hard reality of it is, that the Backbenchers when they had control of Finance Committee, by stopping these schemes saved this country from a financial catastrophe. It would have been nothing short of that, because we now have, as I said earlier, between 1990 and 1991, a cash shortage of C\$31 million alone.

No-one doubts the statement put forward by Elected Members of Executive Council, that Government's credit is good and it can borrow. There is no doubt there. You borrow only a certain amount and then that credit finally disappears. That stage would now have been reached because I will show that this country cannot carry much more debt than it carries now and easily service it within what are accepted international standards of percentage of its revenue.

The position to me seems that there has to be proper planning. I notice that the Honourable Financial Secretary has very capably set this out - planning in relation to debt servicing - planning in relation to priority as a Government and generally there has to be realistic planning taking place or the position is going to worsen.

Back only a few months ago when the Motion that I moved, in an effort to try to keep the Elected Government within reasonable financial constraints, was raised and which happily, right at the end with wisdom apparently from elsewhere, Government agreed to half of it.

We had really the Government laughing at that approach, but now the reality of the situation is very clear. If that had been taken as seriously then, as it should have, they may have had a four or five month head start on dealing with this problem.

Perhaps I am too conservative and perhaps I worry too much about excessive expenditure, but I do believe that it is better to err from the point of view of too little spending than of over spending.

This caution has been borne out at page 45, paragraph 4, sub-paragraph 3 of the Budget address when the Honourable Financial Secretary said: "Given this uncertainty, Mr. President, as a rule, the approach should be caution, and there is nothing wrong with this approach in times of uncertainty, as has been the case since August 2." That is put very politely but that caution has to be caution against excessive expenditure, also.

One of the worrying areas of the Budget has been the parts of it that deal with unemployment. While I accept, because I did not realise unemployment was to this stage, either, I accept that perhaps the Elected Government may not have foreseen the unemployment to this extent.

It is a shocking position of what has been revealed here and I guess we pride ourselves of having over-employment. In fact, some have said over-employment to the extent of 40 per cent which apparently is the approximate number of persons from abroad employed in the work force. But when we look at this, especially on a district basis and we see that the jobless rate varied from district to district along the following lines: East End 10.8; North Side...

**MR. PRESIDENT:** I am sorry to interrupt you. This has been covered by a previous speaker in some detail. Unless you have something new to say on it, I would be grateful if you would move on.

**MR. TRUMAN M. BODDEN:** Mr. President, could you just tell me what specific area...

**MR. PRESIDENT:** Those specific figures have been quoted already by the previous speaker at some length. So unless you have something additional or new to say, I would be grateful if you would move on. I am simply employing Standing Orders, as I said at the last meeting I would.

Perhaps I might say a little more on the subject. We have discussed several times in the last meeting and the meeting before the question of the Standing Order that relates to repetition, irrelevance and so on. For example, a few moments ago, I did not intervene when you spoke at some length about the Backbenchers' (as you put it) efforts in the Budget Finance Committee last year. But you did repeat almost word for word what the previous speaker had said, so that illustrates what I am trying to do.

**MR. TRUMAN M. BODDEN:** For the sake of clarity, Sir, do I understand that the Government, the other Elected Members, will not be going into this area, then, either?

**MR. PRESIDENT:** I am not going to deal with that question until, and if, it arises. But I can tell you that insofar as I can, I am going to try to get the House to stick to Standing Orders so business is conducted efficiently - and that includes excessive repetition and irrelevance.

**MR. GILBERT A. McLEAN:** Mr. President, just on a point of clarification. I wish to speak on the Budget Address. Is your ruling saying that one cannot quote the figures as given by the Financial Secretary in making a point relevant to what those figures relate to, because another speaker has quoted them?

**MR. PRESIDENT:** I am simply saying that Standing Orders point specifically to repetition of arguments, whether your own or any other Member's. I have referred this House previously to a Clerk's circular and a Speaker designate's circular on the matter and I am going to try to see that the House does conduct its business efficiently. I cannot improve on that. Perhaps you will help me to.

A little illustration: If the Member now speaking had said (and the Member who spoke last referred to) this matter of unemployment... and he made certain serious points and I endorse them, for example. But the rules and the practice are perfectly clear, you do not rehearse in detail again what has already been said.

**MR. TRUMAN M. BODDEN:** May I just say something further on this? I assume that you are referring to Standing Order 41 which deals with irrelevance or tedious repetition, because I would draw a point. There is a difference between repetition and *tedious* repetition. But certain things have to be said, I think, to get one's overall speech in. Otherwise, if one person covered everything, nobody else would really be able to say anything. I think it is when it gets (at least if that is the section you are using)... it seems to me it has to be an extreme case.

**MR. PRESIDENT:** I think the rules of debate are pretty clear and I think the Standing Order is pretty clear. I will read it out again for the benefit of Members and for the listening public, as you often remind me. It says:

"The Presiding Officer, after having called the attention of the House, or of a Committee, to the conduct of a Member who persists in irrelevance, or tedious repetition, either of his own arguments or of the arguments used by other Members, may direct the Member to discontinue his speech and to resume his seat."

Now at this point I simply intervened and made the point... Perhaps I can also read (which I did on a previous



occasion, I think) Circular No. 3 of the Clerk to the Members of the Cayman Islands Legislative Assembly (and this Circular is of some vintage, it is not new) on debates. The last page of this, paragraph 4(h) says:

"Relevancy: Debates must be confined to the matter or question before the Assembly or Committee. Members should refrain from irrelevance or constant or tedious repetition either of his own arguments, or of the arguments or points used by other Members in debate. If Members concur with the expression put forth by a Member it would be so indicated when the time of voting arises. If, however, a Member has varying views and points to contribute to the debate he may express himself. The past habit of each member continuing to rise and express agreement with previous speakers and repeating the same line of argument should be discouraged and does not lend itself to good debate."

I think that is extremely clearly put.

**MR. TRUMAN M. BODDEN:** On this occasion I am going to go on to other areas. I will now move on to deal with inflation. To be frank, I do not remember what the Second Elected Member for Bodden Town may have read from, but I would like to refer to some parts of this to deal with inflation. Failing that, I will have to just state basic principles.

**MR. PRESIDENT:** I do not think he did say very much about inflation, in fact, on my notes.

**MR. TRUMAN M. BODDEN:** The inflation rate in Cayman is now extremely high. This is borne out by the statement of the Honourable Financial Secretary who stated that the inflation rate already averaged 6.9 per cent for the first half of this year, higher than for any year during the 1980s and presently stands at the average of 7.8 per cent, the Economic Development Unit forecasted for 1990.

This inflation rate is one which impacts heavier on the person in the lower income bracket than it does on any other person. It impacts on the families that have to buy necessities such as food and clothing, far more than it does on persons who are perhaps in a middle or higher income bracket. The impact is that necessities have to be bought, be it food, or milk for the children, or clothes to wear. When the inflation rate goes up, there is an increase in the cost of living. One can always not buy certain luxury goods and, therefore, avoid some of the effects of inflation. But, necessities are where it bites most.

This inflation also effects the interest rates in the country. Therefore, it affects people who borrow and it hits the man in the street, so to speak, broadside from different areas. It results in lower savings because money that would normally be saved, has to be used to buy necessities. In effect, what happens is the purchasing power of the CI dollar falls and this has an adverse impact on people's standard of living.

Therefore, what we find is that inflation is the enemy of the people. This inflation has now started to move upwards and it will continue moving upwards as long as there is in place the factors that cause it to keep moving upwards, which I will deal with in a short time. It has been known that for about the past year and a half, we were beginning to see a moderate slow down in the economy and therefore, an increase in the inflation rate.

**MR. PRESIDENT:** Would it be convenient to break there?

**MR. TRUMAN M. BODDEN:** Yes Sir.

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

**AT 12:50 P.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 2:24 P.M.**

**MR. PRESIDENT:** Proceedings are resumed. Before I invite the Third Elected Member for George Town to continue on the subject that was being discussed before lunch, I should like to draw Members' attention, particularly, to *Erskine May, Parliamentary Practice*, 21st Edition, pages 372-373 and 393-394. I think you will find that interesting reading.

Second Reading on The Appropriation (1991) Bill, 1990. The Third Elected Member for George Town, continuing.

**MR. TRUMAN M. BODDEN:** Mr. President, perhaps at a later stage when we have refreshed our memories in these areas, we may have an opportunity of speaking to you on these two. Because these two draw out one of the points I made about the tedious areas.

Going on, I was talking before the lunch break, in relation to inflation and its effects. I would now like to go on to show what are some of the factors that cause inflation in Cayman. Inflation is caused by anything which causes the cost of living to go up. This comes about by increases in prices and it can come about through a number of other factors as the Honourable Financial Secretary has very ably set out in his Budget speech.

The area that has brought about a substantial amount of inflation within the past year or so, has been the recent taxes, of approximately CI\$10 million, that have been put on people of these islands. An example of this is found where the cost of gasoline, diesel and other fuel was increased by the increase of import duty by 13 cents to 25 cents a gallon. In other words, there was in excess of a doubling of tax on fuel.

This relates to so many areas, not just to the gasoline that one has to buy to drive one's car, but it affects just about every aspect of the cost of living in the Cayman Islands. One of the best examples I have seen was the Caribbean Utilities Company (CUC) analysis of the rate increase in electricity dated August 13 1990. I would just like to briefly refer to this as the example of how this affects the cost of living. They have an analysis here and it said, if your July bill was CI\$50, CUC had a 58 cents increase. The fuel factor for increases for Government duty in CI dollars was CI\$2.75 on a CI\$50 electricity bill.

Perhaps even more telling is the fact, as stated here, that they said, approximately two years ago the Government introduced a series of revenue measures. These included for the first time a 10 per cent duty on parts and machinery imported by CUC for use in generating electricity and a 13 cents per gallon duty on the diesel fuel it burns to generate electricity. So with the stroke of a pen, not only does electricity go up, but also water, the cost of transporting goods from abroad to Cayman and the cost of kerosene to the people who in the few instances that this would affect.

We see therefore, the way the impact of just one item can affect everyone here and these are all necessities. People in this day and age regard electricity and a motor car as an essential. The Government could have assisted in these areas this time by perhaps looking at the world situation where we have the possibility of fuel going higher and higher because of the gold crisis and perhaps should have been in a position to have taken off the 12 cents that they recently put on.

When you look at some other areas you will find, while not introduced at the same time, hospital fees have gone up tremendously. This once again, has resulted in a cost of living increase. What is to me somewhat unusual and I would expect would be explained, is the fact that while hospital fees are going up every six months to fairly high rates, it seems that the estimate of CI\$2.6 million for this year fell short by in excess of one half of that amount. The revised estimate is CI\$1.2 million and for 1991, the estimate is CI\$1.5 million.

Perhaps it is as I referred to earlier, you cannot get blood out of a stone. If you tax and tax and increase rates, there comes a time when some people cannot afford everything. It does seem to me odd, that this would fall short by that substantial an amount, or in fact, be so low generally.

Other areas that could have affected us but appear to be moved to the horizon, would have been if the 4 per cent or 8 per cent on a pension plan would have been introduced. This would cause the cost of living to increase. Lastly on that point, I agree with a pension plan, but it has to be right because the 4 per cent and the 8 per cent or any other area that Government puts taxes or raises revenue on, for whatever purpose, does affect people in these islands.

On the question of the cost of living, the Government Information Services release was set out by the *Caymanian Compass* on 18 October, at page 1 and this stated in two paragraphs which I would like to read:

"In the category of 'Education and Medical,' the main reasons for a 29.4% increase in the costs since last year are the rise in private school tuition and the restructured Hospital fees, explained Ms. Evalee McField of the Statistics Office."

You can see the effect one raise in fees had. In fact, it was the second highest increase in costs for the year, the other highest being in alcohol and tobacco where further import duty was imposed.

Also it said that food prices have increased by 1.8 per cent in the past three months but 10.1 per cent over the past year. The latest increase was said to be caused by increased transportation costs being passed on to the consumer and those transportation costs are one of the several factors that have to be looked at when matters such as fuel have been increased.

So there can be no doubt that the direct imposition of increased revenue by Government, increased taxes, duty, whatever, has a direct impact on people here. What further hurts, is where the Government itself goes into heavy spending in the time of a boom. It then becomes a competitor rather than a stabilizer or a stabilizing effect at a time when the private sector is gearing up to carry out its projects.

Traditionally the approach, and I think it is still a good general principle, has been that a Government should save during times of economic boom and it should have cautious spending in times of recession in an attempt to level out unemployment, or to keep the machinery of the economy moving at a slow and reasonable pace.

Unfortunately, the problem now is that Government has spent and spent heavily during the boom period and if and when an economic recession comes, I am afraid there is no money there to assist the people through it and to attempt to keep the economy moving.

People in Cayman have actually had Government pushing the cost of living up, and in fact, in the next year or two, unless very practical and serious measures are taken by Government to the economy, I do not see much hope for the cost of living going down substantially.

I would now like to go on to deal with some of the areas of need in my own district and to say that I had assumed that having two George Towners as Executive Council Members, many of these areas would have been dealt with when Government had some money.

One of these, and an area that worries me considerably, is that I

notice there is no money for dealing with the overcrowding that has existed for two years in the George Town Primary School. This is very worrying because now that this has surfaced and we know about it, presumably the Member for Education knew about it at least one and a half to two years ago. I would have hoped that the money would have been allocated in such a way that the children of this country are given a priority over matters such as roads, experts, hospital plans, whatever. I believe that this is an investment in the future generations who will finally run this country. I believe that well toward the top of the expenditure priorities must be the upgrading of the schools.

We have heard a lot about the education study and plan and it is all well and good for us to talk of it but there are serious problems which face us now in the schools which need to be dealt with.

As I understand it from the Member for Education, the overcrowding has been longer and, therefore, presumably worse in the George Town Primary School than it has been, for example, in the West Bay Primary which he also mentioned it was overcrowding.

Also, but of less importance, is the fact that the roads in George Town are desperately in need of repairs, some of them minor. The upgrading of some of them now would take I think, a considerable amount of money, but I believe a start has to be made on expenditure in this area.

I would like to see the money allocated where a better share of what Government is spending flows to the George Town district. Things such as sidewalks in certain areas of George Town, and especially in areas where there are school children, is to me, very important.

However, having observed the repair, or the construction of the little strip by the House of Merren over the last two months, I am not certain when they will ever reach the \$4 million odd dollars that I understand would be necessary to upgrade the George Town Roads. Obviously, I am not saying take \$4 million out and put it there because that money is not there at present, but let's get a beginning on the smaller roads that cost a lot less.

Other areas include the launching ramps, of which I notice there is some money for one this time. That leads me on to what is not only a George Town problem, but I guess an island wide problem, and that is the problem of traffic jams.

Several months ago, in reply to the usual - if there is going to be no Master Ground Transportation Plan - what is the alternative? I set out in a reasonable amount of detail, alternatives that could have eased the traffic situation, not only in the West Bay Road area but elsewhere.

Very briefly, this was an increase of lanes to three, which at least in the mornings would have speeded up people coming from West Bay to George Town, the cost there as I remember it, was in the area of about CI\$1 million. A more expensive, but still not anywhere into the many multiples of millions that the Master Ground Transportation Plan would have cost, was a diversion near to the Islander Theatre area to the North Sound Road, linking the Eastern Avenue Road that adjoins those two just beyond the Thompson Depot area. But once again, nothing (at least that I can see) has been done in these areas.

Most important were the suggestions in relation to the traffic problem at the schools. We had suggested that the road by the cricket pitch of the old agricultural ground, Bob Thompson Road, should continue on and come out behind the Middle School, the High School and the private school. This would allow a lot of easing of traffic on the Smith Road as well as the Walker Road area. I think this would have been a lot safer for the dropping off and picking up children at the schools. From what I can remember, that was under CI\$3 million or CI\$2 million plus. Added to that has been many of the suggestions put forward and set out more recently by the Chamber of Commerce, which would assist with the traffic problems, even though it may not be the absolute answer to all of the traffic problems.

Once again, nothing has been done and the problem continues on, it gets more chronic. I guess we will in due course be hearing about more experts or more plans. What we really need in this area now is some action.

An area where I feel money should be spent is the upgrading and putting in of more play fields and the youth centres within the George Town district. I believe that if Government is not prepared to put in more of these, then they should be prepared to assist and subsidise the churches and the service clubs to deal with youth programmes. Because it is in this area that I feel we can get the alternative to keeping children away from things such as drugs and the many other problems within our society.

While on this, I feel that in the area of scholarships to students for future education, this sum should be increased. I was happy to know that the Member for Education did say that the increase, it was either this year or maybe last year, had been sufficient to substantially cover most people who applied and qualified for them.

But the education and the advanced education of the younger generation be it in the arts or the technical field cannot be left to chance. There must be a sound and direct policy of Government and expenditure of such funds as are necessary, to see that children get the opportunity of a higher education, or get the opportunity for increasing their skills in the technical areas.

One subject that I have continuously raised, but I have shown is good economics from Government's point of view, is, since the Government has its education compulsory, it should assist private schools who now educate a large amount of children, especially at the primary stage. Government would otherwise have to educate them at a very costly sum.

This substantial saving in both capital and recurrent expenditure should in my opinion, partly be lent, given or used to provide some sort of assistance to the private schools, who are relieving Government of millions of dollars each year by their continuing.

I also believe that private schools are necessary because they provide the competitive edge that is necessary to keep the standard of education in the public schools high. But

budget wise, it seems to me good sense to put a few dollars more in them, especially if that can be done with capital loans or preferably capital grants, or capital loans that can be written off by the savings to Government. This assures that the Recurrent Expenditure on education by Government annually, will decrease, or at least it will not get any larger. Both this area and the area of scholarships in detail, I will be looking at in the Finance Committee.

The quality of water, drinking water, potable water. These islands has just been looked at in depth by a Conference and Regional Work Shop, which as the release states brought together 35 technical and laboratory staff members from 12 Caribbean and Central American countries. The heading of the Government release is 'Quality Control Is Crucial To Water Management'. I believe that the few dollars that are necessary to have both the private water company and the Government run water company and the supplies coming from CUC related company, could well be spent to have someone in there daily taking samples of the water.

I do not see anything specifically for this in the Budget, but to be very frank, areas of the Budget are not very detailed and many of these details come out naturally in the Finance Committee. I cannot say in its informal stage anymore but it is in its committee stage. I do believe that since this is so necessary and so important and I agree with the conclusions reached, I believe some money should be spent in ensuring that Government can vouch daily, better still perhaps twice a day, to ensure that this important area is kept to very high standards and no impurities to worry about are left in the water supplies.

I should say this, that both the environmental and the water company are always happy to do samples from people locally and I think they do their best, but perhaps a part of one officer's time per day could be spent just doing these daily checks.

The area of ship registry in Cayman has undergone some very substantial changes in the past few years. I believe that it is important that the First Official Member, does continue to monitor this department carefully. I believe that given the right conditions, they should be a revenue maker. That could either be delayed or affected, depending on whether reasonable standards are too costly in comparison to other countries.

That is the standards for survey, load lines and solas. The cost of achieving those, I think, have to be reasonable, failing which we are going to lose business to other countries that accept internationally accredited surveys. Especially upon registration. Once we get a ship on the register it is far easier to have the owners pay money, than if they are hit up front with some of the heavier fees, in which case we may not get them at all. But it is an important area and if the Government watches this, it could be an area of substantial revenue for the future. Though I know locally that there are certain limits beyond which we cannot go that some of our competitors can go.

While this has been touched on, I would like to agree that the prison, which we visited recently, gave me a very pleasant surprise. The atmosphere is unfortunately depressing, anyhow, and it was good to hear that the relationship between prisoners and staff was a reasonable one. I know there are funds to deal with the reception area in the administrative and interview building, where visitors can meet with prisoners.

I am wondering that with the overcrowding in certain areas, that perhaps the use of some of that money on a male cell block and perhaps a reduction in the size of the other building, may not be something that should be looked at.

While in our society, there is the right to take away one's freedom for criminal offences, it does mean also that one has to ensure that there is not serious overcrowding or bad conditions arising from this. Because that I do not think is something that is expected to arise.

Briefly, on the George Town Central Headquarters, I see there is some money in for that. Hopefully that is what is necessary to upgrade the Police Headquarters. If not, then I would say that should be a very high priority. Having regard to the conditions that I have seen there, not to mention the much talked about lock-up that is next to it where the garage is and where the old lock-up used to be.

There has been much said about the hospital and medical services in the last year or so. We all agree that there must be an upgrading of medical facilities, be this with new or increased sizes to areas of the hospital, or if necessary, a new part of the hospital. We have to be realistic about this and especially now, as we see the country's financial condition, we even have to be more realistic. Medical services like education, combatting drugs and crime, is one of the top priorities.

I was shocked to see that some of the larger sums in the Budget, for example CI\$1 million, has as a note, hospital design works. That I find shocking. Because a CI\$1 million is a lot of money and I believe a CI\$1 million can do a lot to upgrade certain areas of the facilities that now exist. I really do not see how, at a time like this, that such a large sum could be put for hospital plans or design works.

Like I said, the Budget is very brief in its notes and presumably further explanations are going to have to be forthcoming on certain areas of this. I would just like to say that the days, as we mentioned before, of giving Government a blank check, the Elected Members a blank check, to go out and spend on plans and experts are now over. There is not any extra in this Budget for any waste or any excessive cost in areas such as this.

In relation to Government's planning, the Elected Member's duty and all Executive Council Member's duty to plan, this was set out at pages 62 and 63 of the Budget speech.

We saw there that there is a Budget Review Committee and there will also be a Public Sector Debt Management. What I find difficult to understand is, at the time that the Government's attention would have been drawn to the fact that the economy of this country was slowing down its expansion rate, there was prepared, but not dealt with, the overall policy framework; under which, perhaps with the short term or medium term objectives and strategies, this country may not have reached the stage that it now is in.

With all of the money that has been spent on experts, money paid to foreign experts normally leaves the country. And that effects the increased in the cost of living too.

It seems to me that there are probably reports and plans and everything else in Government on what to do, which have been paid for with very heavy fees. The crucial part of trying to pull all these together and to formulate something that could have warded off the present bad financial position, the Government seems not to have been drawn up or accepted.

I would hope that with that now before them, that Executive Council will move on and try to get in place, some planning to show exactly where we can hope to go financially over the next few years.

Be that as it may, it is no excuse for the fact that you cannot spend more than you make. It does not take an expert or a plan or anything else to tell you that. As soon as that happens, it obviously happened back some time ago, the red flag is up and measures to deal with that problem should have been taken at that time.

This is an example where, for example, the \$1 million for hospital plans - plans for what? Put that effort into trying to raise more money for Government or reduce down expenditure in some area that would help the Budget.

One area that I would like to deal with is Cayman Airways and its financial position. The relevancy of it comes from the fact that Government has subsidised Cayman Airways annually over the past few years, and in my view, while not a legal liability, could well be one in which at least a moral obligation would arise.

If the position there deteriorates, then I believe that we will be called on for heavier subsidies in future years. The position from the accounts that have been laid on the table, show that from an operating profit of US\$2.7 million in 1989, the Company went to an operating loss of US\$956,000. In other words, the operating profit and loss position deteriorated by approximately US\$3.6 million (all that I have been saying here would be United States dollars) in the past year.

Further, and in fairness, the non-operating expenses after they were brought in, showed in June 1989, a profit of US\$978,000 and a loss before unusual items of US\$1,625,000 in June of 1990, this year. The net profit that shows after unusual items of US\$7 million needs, I believe, to be explained and looked at carefully. That note has a direct impact on what may be the Company's need in the area of subsidy in the future.

Under unusual items in the note, this deals with the US\$12.5 million that was received from the sale of the 727 leases and spare parts. This has been taken from capital leases, I stress the word capital, and put directly into profit and loss.

Deductions have been made out of that, which include US\$1.4 million that is associated with the introduction of the 737s and US\$1 million, which is the cost of inauguration of the New York route. As the Member mentioned this morning, the writing down of the Shorts, of US\$773,000 together with dealing with the book value and the proceeds of sale that come from the 727 leases, which reduced it by US\$400,000.

In the accounts, with the carry forward of the US\$8.8 million taken off in the notes, are costs which are non-operating expenses or indirect costs, but have been put under unusual items. It is unusual because areas of profit and loss, areas of expenditure have not been brought directly back into the accounts and, therefore, they do not directly show up when looking at the accounts.

When adding in the cost for the introduction of the 737s, the cost of inauguration of the New York route, and the writing down of the Shorts plane, we find that when these are added on to the US\$1.6 million, we have a situation where the loss would have been US\$4.8 million. That is after the subsidy itself from Government is taken in as revenue into the profit and loss account. It is unusual to me, from an accounting point of view, because it deals with very important items, in footnotes to the financial statements, rather than directly in the statements themselves.

The position in the past was to put payments by Government into Capital, and not into Revenue and to me that was the more appropriate way to go because it is really not directly Revenue where subsidies are paid. Similarly, I believe what would have been more proper or more clearer in the accounts, would have been to have dealt with the sale revenue, which came from capital leases. I keep stressing that because capital and profit and loss are not normally mixed in the accounts.

One thing is certain and that is that had it not been for the US\$12.5 million, Cayman Airways would have had to come to this House for very substantial sums as a subsidy. And by the way, Government also received back US\$4 million that was on deposit, making US\$16.5 million between the Government and Cayman Airways Limited. All of us support Cayman Airways and we believe that the study should assist Cayman Airways with seeing other areas, where other money can be saved, or revenues can be increased.

The area that the Member for Tourism speaks of most, for example, would be an area of maintenance which I think was cut nearly in half by being done by Cayman Airways. A lot of it was done locally, the cost which in the past, had to be paid out to third parties. The cost went from some US\$4.6 million in 1989, to US\$2.9 million in 1990.

**MR. PRESIDENT:**

Would it be convenient to break there?

**MR. TRUMAN M. BODDEN:**

Sure, Yes.

**MR. PRESIDENT:**

Proceedings are suspended for fifteen minutes.

## AT 3:25 P.M. THE HOUSE SUSPENDED

## HOUSE RESUMED AT 3:49 P.M.

**MR. PRESIDENT:**  
George Town, continuing.

Proceedings are resumed. The Third Elected Member for

**MR. TRUMAN M. BODDEN:**

I would like to deal with one other area relating to Cayman Airways and like the last one, this is one that is on the factual side. It has been stated that the 737-400, the new jets, cost \$574 less per hour to operate than did the 727s. What I would just like to show here is, when you look at the overall picture, what the position actually comes out to when you take into consideration the cost of the lease. It is a fact that it is a lot less to operate the 737s than the 727s, but also it costs a lot more to lease the aircraft and this is an area which will impact in due course on the Budget and has already, I would submit, impacted on the Budget of the Government.

The notes set out at note 12 have stated that the flying operations in respect of the rental payment expense was some US\$5 million for that time. I used as a percentage, 68 per cent of the year, or thereabout, that they were in operation and used 4,505 flying hours as set out in the note. This shows that the cost of leasing the 737s for that period of time, using 4,505 hours, amounted to US\$1,130.52.

The similar cost for the similar percentage of the 727s amounted to US\$394. In other words this is the difference between the three hundred and odd thousand a month, or a sum total of some US\$7 million or thereabouts per year for both jets, and 68 percent for the 727s amounted to US\$394.67.

The difference between the two or the amount paid extra for the leasing of the 737s was US\$735 per hour and when you subtracted the savings in the cost of operation of US\$574, it showed that the airline was US\$161 worse off.

I believe that factually, while it is correct that there are savings on the cost of operation of the 737s, equally, it should be stated that those savings are offset by the very substantial cost of leasing those 737s over the cost of the 727s.

This has shown up in the account, which must have been one of the reasons why the position of the operating profit in June 1989, of US\$2.7 million, or I should really take, adding in the non-operating expenses, where there was a profit in June 1989, of US\$978,000 showed up as a loss in June 1990, of US\$1.6 million. As I mentioned, this left out the inauguration of the 737s to New York and the cost of bringing them in as well as writing down the Shorts.

There is an area where you do get savings on one and you get savings on the other in another area. Perhaps what is most important with Cayman Airways, is that we try to get the study done. We should try to ensure that that is not preempted by having to deal with areas that the study is covering. And that there is a move to now consolidate because it is difficult to change over equipment. I think we all understand their unusual, not using it in the phrase that it is used in accounts, but there one-off expenses in bringing in new equipment, training staff, which should settle down after this year.

I wish the Company well and I believe it will benefit from the study. I think it should take and look hard at its own finances, having regard to the present economic conditions, and that it will move on, hopefully one day to a position where it will not have to come to Government for a subsidy.

I do not want this to be misinterpreted. I supported it in the past, last year, the direct subsidy and the other \$1 million that went for advertising which was well in excess of what any Government had put into it. I will continue to support reasonable subsidies in the future and hopefully, Government will get its own affairs in order and be able to assist the airline financially when necessary.

I would now like to turn to one of the factors that I believe has been a contributing factor in the slowing down of the country's expansion and that is the adverse effect on the stability of the Cayman Islands generally and some of the things which, in my view, have done so.

I have mentioned earlier that inflation has moved upwards considerably and I have covered that in some depth already. Unemployment is also a factor because that as well as employment is one which directly effects certain investments in the islands.

The uncertainty around constitutional change is one which has, in my view, affected stability. And I will merely say that while I believe the public should be given full and ample time to make its decision, I believe that a conclusion should be reached by this House and the Foreign Commonwealth Office within a reasonable time and it not left to hang for an unreasonably long period of time.

Worries have also risen from the change in the structure of the Finance Committee, and if ever there was a time when it would have been good for this Country to have been able to say that Government should not necessarily have its way in all areas of finance when it so wishes, it is now.

We have seen some erosion of stability by a worry of heavy spending in areas by Government. I also believe and this is somewhat hindsight perhaps at this stage, that we have and I am repeating here what I said at that stage, we have to be over cautious when Government intervenes and begins to slow down the economy.

I know that I was one who issued considerable warnings when the moratorium came into effect, and I voted for it in the form it was in then. I stated then, looking back at the minutes, that for every year that we apply the brakes to the economy, by the looks of it, it could well take two years, maybe more, for the economy to pull back up.

I charged at that stage both the Member for Tourism and the First Official Member with responsibility to monitor the situation, and not to hesitate in the event that circumstances

changed to such an extent that there had to be a review of that moratorium.

While the Law was passed here, it was actually brought into effect through an Executive Council Order or Instrument. That, like other interventions by Government in the free enterprise system has to be used extremely sparingly.

In fact, the Member for Tourism I think, told me that I was like some lady who gave the neighbour one spoon of sugar for coffee and said use it sparingly. Well I do believe that is not too far fetched an example. I would hope that now that we do have very clear indications that the economy is slowing down and that any other measures, as well as this specific measure, would not be extended or brought on. Because at this stage, it can only hurt and I do not believe can help.

With the drying up of capital for investment from other foreign countries such as the United States, Britain and Japan, who once again seem to be slipping in to tight economic times, we can expect that is going to be felt here. We do not need to put unnecessary restrictions in the way of good investment.

I point out good investment because it does not mean that we have to accept any investment that comes to the country. Akin to this is the fact that I believe it is important that we as Legislatures get on with the Nationality Caymanian Protection Law Committee, get that finalised and get it out, and something has been said on that earlier.

I believe that priority will have to continue to be given to trying to make certain, and while holding the reins as tight as we can, we are being reasonable in relation to investments coming into the country. I repeat, it does not mean that we must accept investments that are not in the interest to the country, but we cannot afford, at this stage to lose good investments which we could attract here.

I also believe that the downturn at certain times in tourism may well have been caused by the Government, through its New York Public Relations Agency, spending more money and targeting to a greater extent areas where Cayman Airways flew. Why I say this is because from what I can understand, some of the areas which were beyond points that Cayman Airways flew to could well have produced considerably more tourists if we had done further advertising there. I know the Member for Tourism has a difficult balance because he has to ensure that Cayman Airways fills its seats on the plane, on the other hand he has to weigh that against ensuring that the number of tourists to these islands are sufficient to keep the hotels and the condos reasonably filled. This is perhaps an area that he may have looked at but it is one where we can easily fall into believing that the market should be restricted to certain areas surrounding the destinations of the National airline.

I know specifically that Cayman Airways spent (I see from the accounts) US\$1 million on the New York route and we also approved for the Member a bit over US\$1 million for the New York route and I believe, the year before Cayman Airways had spent money on it. So, the new routes can be quite costly. What I am saying here is that I am sure that he has to weigh and keep in balance the bringing in tourists generally and not necessarily directly from Cayman Airways flies.

One other area that has been talked about and there have been certain strides made but where there is still a lot left to be done is in relation to illegal drugs. I believe that it has to be top priority in spending in the areas that we can have a reduction down of the problems that our people and society have from the use of illegal drugs.

The area which needs to be looked at, or alternatively we need to see increases, would be in the assistance given to the bodies and service clubs and organisations that operate, be it CASA or the churches, or their youth programmes as I mentioned earlier. Funds that are spent in this area are to me the best spent that we can have.

I noted that about a month ago, the Senior Magistrate, Honourable Kipling Douglas, mentioned the need for a Remand Home. He set out a good case for seeing that we do get the necessary facilities to deal with juveniles, which would assist us with the drug situation. I think with matters as the half-way house, perhaps a further look at the costing of such a rehabilitation centre, compared to the number of cases, needs to be looked at. I know this was done about a year ago, but perhaps the statistics may have changed, and they should be kept under constant review. They have to be given priority over matters such as roads, or post offices. For example, I see there is over a quarter of a million dollars for a new Post Office in North Side. Public buildings such as extension of the Government's office accommodation, I think have to go somewhat on the back burner to the more urgent problems which are affecting the children and people who need help in relation to drugs.

I would like now to deal with an area that will need some detail and I ask the House to bear with me. That is what I project as the cost of servicing the debt of this country and what I project it will be if the loans that are now applied for, by Government, go in place.

The accepted, at least traditionally accepted rule of thumb, percentage of the ordinary revenue for payments of principal and interest on Government debts has stood at 10 per cent. I believe that this is very applicable to the Cayman Islands because it has a very high recurrent expenditure. I do not know what it is now. It was for example, on Civil Service salaries and benefits 57 per cent of the current revenue and that would have increased with the increase in salaries.

We have seen projected for 1991, that Government only expects to raise enough revenue to recover recurrent expenditure, which naturally would cover debt servicing, therefore, to me, this a good guideline on how far we should prudently go.

The present ordinary revenue that I am using for this, is 6 million and what we find is that the cost at present, is approximately CI\$5.32 million, or roughly in the area of five per cent. When added to that, the CI\$13 million, that was expected to be borrowed in 1991, it will work out somewhere in the area of nearly seven per cent, because I would expect that borrowing to be on a medium term basis.

That does not get to be very worrying until we realise that there is a moratorium on, and we are not paying back the principal on C\$11,527,837 million of debt. The fact that we are not paying back on that is going to affect the future finances of this country adversely when the time for repayment kicks in. Some of these will become payable in the near future and it is therefore important that we see what the impact is going to be when this happens.

The major ones that are still not being repaid are, in C\$ dollars, C\$2 million on the sewerage project; on the water and sewerage projects another C\$5.705 million; and on the water supply C\$2.3 million; together with smaller amounts. Some of these are going to begin in the very near future. In fact the largest one I see will begin to be repaid commencing in June 1991.

If we deduct C\$11.5 million from the C\$43 million debt, then what we are actually paying on at present is C\$31.5 million, when we take into consideration the C\$13 million that I assume the commercial banks would only give us a very short, if any, moratorium. When the 6.9 per cent for servicing the C\$31 million is looked at, and when rounded out, the servicing of the full C\$43 million comes to approximately 9.5 per cent. Therein, lies my worry.

It is all well and good to say that when this comes into effect this year or the year after, revenue will increase. I would hope that would be the position. It does not get away from the fact that we are now coming very close to the 10 per cent of our ordinary revenue, if we were repaying all the loans that Government has and is expected to borrow in 1991, based on the projected 1991, ordinary revenue.

#### POINT OF ORDER

**HON. LINFORD A. PIERSON:** Mr. President, on a Point of Order. I think it is only fair that we should correct what could be a misleading statement just made by the Member speaking.

**MR. PRESIDENT:** This is a Point of Order on misrepresentation?

**HON. LINFORD A. PIERSON:** Yes, Sir.

**MR. PRESIDENT:** Go ahead, I am listening.

**HON. LINFORD A. PIERSON:** Thank you Sir.

I just think it is only proper that it should be corrected. While it is true that the total public debt is now C\$30.5 million, of this amount, C\$23.8 million is in respect of the Statutory Authorities of Government. It is not being paid out of Government revenue, while it is guaranteed by Government, they are self-financing loans. The additional C\$12.9 million that would be taken from Government revenue would be added to the remaining C\$16.7 million. So we are not looking at C\$43 million for Government to pay from our local revenue.

Thank you.

**MR. W. McKEEVA BUSH:** On a Point of information, Mr. President.

**MR. PRESIDENT:** Excuse me, I will deal with the Point of Order first, if you do not mind.

The point being put to you is that... I do not think it quite amounts to misrepresentation, I think the point being put to you is that the debt that you refer to as total debt, is not debt in the genuine sense but part of it is a self-financing debt due to Government Agencies, not Government. I do not know if you would be prepared to take that point. I have to hear a Point of Order, but it is up to you, I think, to deal with it.

**MR. TRUMAN M. BODDEN:** All I can say, Mr. President, is that the Member will have his round to rebut what I am saying. I did not, nor did I intend, to misrepresent anything to this House. I can assure you I picked up public debt from out of the accounts.

**MR. PRESIDENT:** That is fine. I am saying you have the opportunity now to reply to this point if you wish.

**MR. TRUMAN M. BODDEN:** Mr. President, I am not going to reply to it because, quite frankly, as I stated, I did not misrepresent anything. The Member has got across his point on the merits of it and if you rule it is a Point of Order, so be it. But, I am not going to reply.

**MR. PRESIDENT:** No, I am not ruling it is a Point of Order. He sought essentially to get a clarification, and you said, quite rightly, you have not sought to misrepresent anything. So I think there is not a problem there. I am simply saying that in the course now of continuing your speech if you want to expand on this, you are entitled to. That is all.

**MR. W. McKEEVA BUSH:** The Point of Clarity, Mr. President.

**MR. PRESIDENT:** Are you addressing me or the Third Elected Member through me?



**MR. W. McKEEVA BUSH:**

No, on a matter that was raised.

**MR. PRESIDENT:**

But are you addressing the Third Elected Member through...

**MR. W. McKEEVA BUSH:**

No, I am addressing what the Member for Communications...

**MR. PRESIDENT:**

Well, I am sorry, you do not have the right to do that. This is between the Member who is being interrupted and the Member who brought that point.

**MR. W. McKEEVA BUSH:**

Well, for something...

**MR. PRESIDENT:**

I am sorry, if you have a Point of Clarification, you are addressing the Member speaking, through the Chair.

**MR. W. McKEEVA BUSH:**

Yes, Mr. President, maybe you can help with this. Who guarantees those statutory loans?

**MR. PRESIDENT:**

You may, if you wish, address that as a Point of Clarification to the Member speaking. It is not my duty to explain it to you. That is the point I am making.

**MR. W. McKEEVA BUSH:**

Yes, maybe the Member could expand on that. Maybe he needs to tell that the Government guarantees all loans, so we are held responsible.

**MR. PRESIDENT:**

The Third Elected Member for George Town continuing.

**MR. TRUMAN M. BODDEN:**

Mr. President, the Member for Communications and Works obviously, therefore, seems not to criticize the 10 per cent limit, but how the calculation was reached. What I will do is to have a think about the statement he has made and have a look back at the Estimates and come back on Wednesday morning in relation to those areas, if I so wish.

The point that I am making, and I am continuing on with this, is that we cannot continue to borrow and borrow and borrow; it has to be ultimately repaid. Repayment is something which in the servicing of the debt has to be taken into consideration, as I have tried to do here, in estimating what the projected cost is going to be. That cost is one that would have, at least while we remain a Crown Colony (which hopefully we will never change from) to be a sum that can reasonably be serviced within the range of the Recurrent Revenue that is coming into the Governments Treasury. The same way that the United Kingdom is at least morally responsible for this Colony's finances, those same moral and/or in this case with guarantees legal obligations, also fall upon the shoulders of this Government.

We cannot continue to shut our eyes to the extent of borrowing. At some stage, some guidelines have to be laid down. Though this was the wish of the House by a majority decided, it was left open in the Motion that I brought attempting to keep this to the 10 per cent of the ordinary revenue. I personally believe that is a sound and practical percentage beyond which we should not go. In fact, I would not like to see us go perhaps beyond nine per cent, keeping the one per cent for an emergency, if it so arose.

Figures can be done on this. I have taken mine as best I can and done some projections on it and I would have liked to have seen in the Budget, this year, a statement made in relation to Governments policy on borrowing. It must affect the stability of this country if investors believe that Government is of the view on some projects, that as long as it is credit worthy and can borrow, then it should keep on borrowing and borrowing.

**MR. PRESIDENT:**

If it is convenient, before we move the adjournment, I think it might be helpful to make a comment on this matter of loans. You mentioned the moral obligation I think of the United Kingdom Government. There is rather more to it than that. The Constitution provides that a Governor must assent to a Law for a loan. The Secretary of State may disallow it, so there are at least two lines there before you get to the moral obligation.

**HON. THOMAS C. JEFFERSON:**

Mr. President, I move the adjournment of this Honourable House until 10:00 o'clock Wednesday morning, the 21 of November.

## ADJOURNMENT

**MR. PRESIDENT:**

until 10 o'clock tomorrow morning.  
against No.

The question is that this Honourable House do now adjourn  
I shall put the question. Those in favour please say Aye...Those

**AYES.**

**MR. PRESIDENT:**

tomorrow morning at 10 o'clock.

The Ayes have it. The House is accordingly adjourned until

AT 4:34 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., WEDNESDAY 21 NOVEMBER 1990.

**WEDNESDAY  
21 NOVEMBER, 1990  
10:09 A.M.**

**MR. PRESIDENT:**  
Cayman.

Prayers by the First Elected Member for Cayman Brac and Little

**PRAYERS**

**CAPT. MABRY S. KIRKCONNELL:**

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 the light of his countenance upon us and give us peace now and always. Amen.

**STATEMENT BY THE PRESIDING OFFICER**

**MR. PRESIDENT:**

Proceedings of the Assembly are resumed.

Before we go on with the Order Paper, I would like to make a short statement because Members may be rather puzzled that the Order Paper was altered in that, initially, it had the presentation of the Auditor General's Report on the 1989 Accounts and the Public Accounts Committee Report. Honourable Members are no doubt aware that the Presiding Officer has a duty to examine all documents, including Questions and Motions which are coming up on the Order Paper. In fact, I deferred the Auditor General's Report and the Public Accounts Committee Report because I have not had the opportunity to read the letter yet. It received at about half past four with other papers in my office yesterday afternoon. So it will appear on the Order Paper shortly.

Questions. The First Elected Member for Bodden Town, Number 183. I am sorry. I beg your pardon. Presentation of Papers. The Honourable Financial Secretary.

**PRESENTATION OF PAPERS AND REPORTS**

**REPORT OF THE STANDING FINANCE COMMITTEE**

**HON. THOMAS C. JEFFERSON:**

Mr. President, this Report is so long that perhaps we should have gone to the questions. I beg to lay on the Table of this Honourable House the Report of the Standing Finance Committee for four meetings held on 12 and 27 April 1990, and 25 May and 24 August, 1990.

**MR. PRESIDENT:**

So ordered.

**HON. THOMAS C. JEFFERSON:**

Mr. President, the meeting of 12 April and 27 April 1990, dealt with a number of Supplementary Expenditure requests, as well as other matters. The total of the Supplementary Expenditure proved to be \$406,898, and this is a quick breakdown of that sum:

- (1) For the Legislature sub-Head 03-16 dealing with Elections expenses - \$14,000, for the Bodden Town 1990 By-Election.
- (2) For finance dealing with communications equipment for the construction of the communications bunker at the Northward Prison site - \$205,600.
- (3) For Head 20 - Personnel and Management Services - \$99,782, for basic salary for the staff of the new management unit; \$4,000 to deal with janitorial services for the Legal Department, which is separate from the Glass House; \$40,000 to deal with the

expenses of civil servants for their benefits on the optical and dental; and a further \$15,216 for office equipment again, for the furnishings for the new management unit.

- (4) For Head 29 - Medical Health Services -\$2,000 for drugs and for medical equipment \$10,600.
- (5) For Public Works -\$15,700, for Government's staff housing to reinstate the driveway between the Governor's residence and his butler's residence, which was in need of repair.

The meeting of 25th May, dealt mainly with Private Member's Motion No. 4/90 for a Select Committee for Cayman Airways, and a need for consultants to look at the airline's operations. The Committee met and agreed terms of reference for the consultancy and then turned over the process to the Central Tenders Committee, as is the proper procedure.

The meeting of 24th August, which was aired publicly (I do not believe that I should read out these 22 pages), dealt with the Cayman Airways matter and I think as the Report is now laid on the Table it is a public document. Anyone who wishes to see the contents may have a copy. Thank you, Mr. President.

**MR. PRESIDENT:**  
183, please.

Questions. The First Elected Member for Bodden Town, No.

### **QUESTIONS TO HONOURABLE MEMBERS**

#### **THE FIRST ELECTED MEMBER OF BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE**

**NO. 183:** Would the Honourable Member say if the Cayman Islands' Government has been approached by any foreign government, company, agent or individual with a proposal to dispose of any toxic waste/chemical on Caymanian territory?

**ANSWER:** The Cayman Islands' Government has not received any proposal from any foreign government, company, agent or individual regarding the disposal of any toxic waste/chemical on Caymanian territory.

#### **SUPPLEMENTARIES:**

**MR. PRESIDENT:**  
Town

Supplementaries. The Second Elected Member for Bodden

**MR. G. HAIG BODDEN:**

Mr. President, I would like to ask the Member if a substance such as Agent Orange is included in his answer, and that the answer to such an enquiry would have been no?

**HON. BENSON O. EBANKS:**  
knowledge of any approaches.

Yes, Mr. President, it includes all harmful chemicals. I have no

**MR. PRESIDENT:**  
Bodden Town, No. 184.

The next question please. The First Elected Member for

#### **THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES**

**NO. 184:** Would the Honourable Member say which recommendation made by International Healthcare Corporation Ltd. has been implemented, and at what cost?

**ANSWER:** Under the Health Delivery Systems Plan, Grand Cayman, eight recommendations were made. Five of these recommendations either have been, or are being, implemented. Funds expended under this section to date total \$148,737.26.

Two of the three recommendations made under the Health Delivery Systems Plan for Cayman Brac and Little Cayman are in the process of implementation. Cost incurred to date is \$455.

Three of the six recommendations made under the Health Facilities Plan for Grand Cayman are in progress. Approximately \$12,400 have been spent on renovations of existing buildings.

Three of the six recommendations which relate to the Health Facilities Plan for Cayman Brac

and Little Cayman are in progress.

With regard to the 10 Interim Projects, I would report as follows:

- (1) Inventory Control System - 13 recommendations. All of these are in progress. No monies expended to date.
- (2) Equipment Maintenance Programme - 6 recommendations. All in progress. Monies expended to date \$215.
- (3) Radiology Department - 12 recommendations. All completed or in progress. Monies expended or committed to date \$188,851.
- (4) Laboratory - 25 recommendations. Nineteen are in progress. Monies expended to date \$350.
- (5) Medical Records - 30 recommendations were made. Eight have been implemented. Monies expended to date \$2,768.26.
- (6) Pharmacy - 33 recommendations were made. Fourteen have been implemented. Monies expended to date \$6,115.
- (7) Charges/Billing Financial System - 24 recommendations were made. Nine have been implemented. Monies expended to date \$9,040.
- (8) Patient Flow System - 62 recommendations were made. Eleven have been implemented. No monies expended to date.
- (9) Infection Control - 62 recommendations for streamlining the infection control programme at the hospital were made. Thirty-five recommendations have been implemented at a cost of \$162,650.
- (10) Surgical Care Management System - recommendations were made in eight areas. Monies expended to date \$96,766.58.

Total cost of the recommendations made under the Health Systems and Health Facilities Plan for Grand Cayman and Cayman Brac, and the 10 Interim Projects to date is \$628,348.10. A detailed breakdown of each recommendation and the status and plans for implementation is provided to Members on the attached documentation.

#### SUPPLEMENTARIES:

**MR. PRESIDENT:** Supplementaries.

**MR. ROY BODDEN:** Thank you very much, Mr. President.

I have two supplementary questions arising from the Honourable Member's answer and the first is, I would ask the Honourable Member to explain what he means when he says under those recommendations where "no funds have been expended to date", if that means that those recommendations have been abandoned, or does it mean that the plans have not yet reached that stage where those recommendations are being put into place? Perhaps it would be better to ask the second question after.

**HON. D. EZZARD MILLER:** No, Mr. President, none of the recommendations are being abandoned. A lot of the recommendations involve organisation and managerial changes within the units, and where no monies were expended, there was no additional cost in implementing the recommendations within the department. That is all contained in the additional papers. For each recommendation the attached documentation lists the consultancy to which it refers.

For instance, I will just use one example because it would take most of the day to read the whole report, Health Delivery Systems Plan; (a) The recommendation was a structural reorganisation of the Health Services; (b) Implementation actions; (c) Executive Council authorised drafting instructions for Health Services Authority. Cost of implementation \$4,615, which was the cost of a trip to Bermuda and the cost for the visit of the delegations to Bermuda. Each recommendation is treated in a like manner in the attached documentation.

**MR. PRESIDENT:** Your second supplementary.

**MR. ROY BODDEN:** Thank you very much, Mr. President.

My second supplementary is, in the Member's estimation, are the allotted funds going to be sufficient in order to carry out all of these recommendations made by IHC?

**HON. D. EZZARD MILLER:** Could the Member say what allotted funds he is talking about? Whether he is talking about monies in the 1990 Budget, or monies proffered for the 1990 budget? Because the funds that are referred to in this, are monies that have already been spent.

**MR. ROY BODDEN:** Then I would ask the Member if it is to be understood that he will be seeking additional funds to implement some of these recommendations?

**HON. D. EZZARD MILLER:** Yes, Mr. President, some of the recommendations entail structural changes which will require additional Capital Expenditure, some of which is included in the \$1.5 million loan that was authorised in June this year. Some minor changes are included under Recurrent Expenditure in the Hospital Budget for 1991.

**MR. ROY BODDEN:** Thank you, Mr. President. I wonder if the Honourable Member is in a position to give the House some idea of how much more additional funding he will be seeking?

**HON. D. EZZARD MILLER:** Mr. President, under Interim Projects most of the funds required are included in the \$1.5 million loan and there is \$300,000 in the 1991 Capital Estimates which will deal with computerisation of the medical records, business office functions and other automation at the hospital.

The recommendations for instance which deal with the new hospital, all I can say at this point in time Sir is, there is an estimate of approximately \$20 million to include a new hospital, the conversion of the present site to an ambulatory care center, improvements (which are required) to all the districts and the improvements to Faith Hospital which are required in Cayman Brac.

**MR. PRESIDENT:** The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Thank you, Mr. President. Would the Member say if there are any funds in the 1990 Budget to carry out any of the recommendations or implementations and actions?

**HON. D. EZZARD MILLER:** Mr. President, most of the funds which were in this year's Budget will have already been spent or committed, for instance, one of the recommendations was for an additional X-ray machine, so that we could better serve the public. The machine has already been ordered but has not yet been delivered, and I believe most of the funds have been committed to it. The other funds are in the 1991 Budget.

**MR. PRESIDENT:** The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:** Mr. President, the answer shows the cost of implementation of \$1.5 million to develop a master plan for the existing George Town Hospital compound. I would like to ask the Member if the \$1 million that shows up in the 1991 Budget is a part of this \$1.5 million, or is it in addition to it?

**HON. D. EZZARD MILLER:** One correction, Sir, the \$1.5 million that appears in the answer does not only refer to the development of a Master Facilities Plan, it will also include the cost of a trauma surgical suite and the other additions to the hospital. To answer his question more specifically, the \$1 million in the 1991 Budget is in addition to the \$1.5 million and it is to be spent on the new hospital.

**MR. PRESIDENT:** If there are no more supplementaries, Question No. 185 please, from the First Elected Member for Bodden Town.

#### FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER FOR HEALTH AND SOCIAL SERVICES

**NO. 185:** Would the Honourable Member say what was the total cost of the consultancies regarding the Pensions Plan?

**ANSWER:** The cost of the actuarial review of the Cayman Islands Pension Scheme, the Public Service Pension Scheme and the Over-62 Scheme undertaken by Towers, Perrin, Crosby and Forester is \$80,508.67, broken down as follows: Fees - \$73,792.00; Expenses - \$ 6,716.67.

Following the reviews, Towers, Perrin, Crosby and Forester were retained specifically to review the discussion draft Bill of the National Pension Plan and to answer technical questions raised by the Chamber of Commerce, the Pension Plan Committee and other public representation.

Monies expended on this phase of the consultancy total \$30,281.31 and include fees \$24,953.13, expenses \$5,328.18. This brings the total cost of the Pension Plan Consultancy to \$110,789.98.

#### SUPPLEMENTARIES:

21 November, 1990

Hansard

1385

**MR. PRESIDENT:** Supplementaries, the Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:** Mr. President, may I ask the Member if this cost of \$110,789.98 includes money spent on the Pension Plan prior to November 1988?

**HON. D. EZZARD MILLER:** No, Sir, it does not.

**MR. PRESIDENT:** There seem to be no more supplementaries. The Second Elected Member for Bodden, No. 186 please.

**THE SECOND ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES**

**NO. 186:** Would the Honourable Member say if Government would undertake to examine the Pease Bay Cemetery to determine whether proper access should be provided on the southern boundary and whether additional property should be acquired?

**ANSWER:** Yes, Government will accept such an undertaking.

**MR. PRESIDENT:** The next question please. The Second Elected Member for Bodden Town, No. 187.

**THE SECOND ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE**

**NO. 187:** Can the Honourable Member say when the playfield in Breakers will be completed?

**ANSWER:** The Portfolio was officially advised of the acquisition of the additional area of land (Block 56B, Parcel 69) on 5 November 1990, at a cost of CI\$13,500.

This purchase increases the size of the property already owned by Government and will serve as a small recreational area in this district.

The further development and completion of this field will depend upon the availability of funds.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries. The First Elected Member for Bodden Town.

**MR. ROY BODDEN:** Thank you, Mr. President.  
I would just like to ask the Honourable Member, if he is aware that some of the residents in the heavy equipment business of that district had offered the Government some help in developing the field?

**HON. BENSON O. EBANKS:** Mr. President, it is my information that quite recently the Portfolio received some indication of willingness from residents to assist, and that this is under discussion with the Public Works Department at the moment.

**MR. ROY BODDEN:** Mr. President, thank you very kindly. May I respectfully ask the Honourable Member that he pursue the offer as enthusiastically and as energetically as he can, Sir?

**HON. BENSON O. EBANKS:** Yes, Mr. President, that is being done.

**MR. PRESIDENT:** The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:** Mr. President, as the answer indicates that the completion will depend upon the availability of funds, may I ask the Member what priority will be given to this project? Will it be high, low or medium?

**HON. BENSON O. EBANKS:** Mr. President, the provision of playing fields in the districts is given high priority, but as I said it will depend on the availability of funds.

**MR. PRESIDENT:** We move to Question No. 188. The Third Elected Member for West Bay please.

**THE THIRD ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS, WORKS AND AGRICULTURE**

**NO. 188:** Would the Honourable Member say what is the status of the repair of roads in West Bay as approved in the 1990 Budget, and when can we expect the repairs to be completed?

**ANSWER:** The 1990 Road Budget contained a block allocation of \$550,000 for roadwork in West Bay. In a meeting on 10 May 1990, with West Bay MLA's and the Public Works Department, 30 specific road projects were identified for action in 1990. Of these 30 jobs, 18 are complete, four are under construction and eight will be deferred. The four jobs now under construction should be completed by 30 November 1990, and the deferred jobs will be considered for construction in 1991.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. JOHN D. JEFFERSON, JR.:** The Member mentions that out of 30 jobs, 18 have been completed. My question is which of the 18? Surely not in West Bay.

**HON. LINFORD A. PIERSON:** Mr. President, I do not know whether the Member meant to imply that I was not telling the truth. I am sure he did not mean that because I will give him the answer that I have here. The following projects have been completed in West Bay:- Road Construction Projects: Graham Ebanks Road; Pond Road; King Road; Garvin Road; Coral Gables Subdivision; Drainage Projects: Ed Solomon's drain; Audrey Powery drain; Chester Ebanks Road drain; Steve Wells Road drain; Governors Harbor drain; Birch Tree Hill Road drains. Second Applications Projects: Mount Pleasant to Conch Point; Northwest Point Road; Batabano Road. Marl Road Repairs: Ivan Farrington Road; Farm Road; Willow Close; fences on Reverend Blackman's Road. I think that is the list, Mr. President.

**MR. PRESIDENT:** Supplementaries, continued.

**MR. JOHN D. JEFFERSON, JR.:** The Member mentioned Northwest Point Road. Was this on the list of roads approved by the three Members from West Bay?

**HON. LINFORD A. PIERSON:** Yes, Mr. President. This was for a second application job.

**MR. PRESIDENT:** The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:** Mr. President, it seems the Member has a list in his hand. I am wondering whether we could have a look at it because we would be able to determine better whether the jobs were carried out? The supplementary that I would ask, is that out of the \$550,000, we specifically identified roads to be done out of that money. Drains, as I understand it, is usually taken from another vote. I want to find out how they came about using the road money that we voted, agreed on and prioritised? How they came to use that for drains and maybe a few other things, as I understand from his answer?

**HON. LINFORD A. PIERSON:** Mr. President, the plausible answer is that in many cases the drains were within road works and they had to be done as a part of the road construction work.

**MR. PRESIDENT:** And the first part of the question was, would you provide a copy of the list for Members?

**HON. LINFORD A. PIERSON:** I would be very pleased to, Sir. I will have it in the mail or delivered here later today. I have only one copy here.

**MR. W. McKEEVA BUSH:** I would have appreciated looking at it right now, Mr. President, but the question that I asked was, whether he can inform the House if drainage works are done from another vote and not from the road money that we identified for roads and prioritised for roads?

**HON. LINFORD A. PIERSON:** Mr. President, unlike the remark I just heard, they are playing politics. I think that has nothing to do with this. West Bay in fact, had \$550,000 as compared say, to George Town of \$200,000, but that is beside the point. I am not playing politics, Sir. The point, in answer to this question, is that there were new drains that were constructed within the construction of some of these roads and this is why the funds were used for that purpose. There was insufficient funds in the allocation specifically for maintenance of drains.

**MR. W. McKEEVA BUSH:** Mr. President, a supplementary. The Member is saying that the money was used, if I understand him correctly, to build the drains because the drains were in the roads he was building. Is that what you are saying?



- HON. LINFORD A. PIERSON:** Mr. President, the answer again, is that these were new wells within these old roads that were being repaired.
- MR. PRESIDENT:** I think the Third Elected Member for West Bay and then the Third Elected Member for George Town.
- MR. JOHN D. JEFFERSON, JR.:** Thank you, Mr. President. In the original answer provided by the Member in writing, he mentioned that four jobs are now under construction and should be completed by 30 November, 1990. I wonder if the Member could say whether or not these four jobs are four additional drains or roads, and if they are roads, could he identify those roads?
- HON. LINFORD A. PIERSON:** I would be very happy to, Sir. I do not make a statement in this House that I cannot back up. The jobs are: construction of Muriel Jackson's road; Morgan's Harbour Road repairs; Willow Close Road; Juniper Street; Town Hall junction; Capt. Shelby's Road; Capt. Charlie's Road; and Fourth Street second application work. They are now under construction in West Bay.
- MR. PRESIDENT:** The Third Elected Member for George Town.
- MR. TRUMAN M. BODDEN:** Would the Honourable Member say how much has been spent on the 18 projects and what he expects to spend on the four now under construction?
- HON. LINFORD A. PIERSON:** Mr. President, would the Member please repeat that question for me?
- MR. TRUMAN M. BODDEN:** Would the Honourable Member please state how much money has been spent on the 18 completed projects and the four now under construction, as expected when completed?
- HON. LINFORD A. PIERSON:** Mr. President, before answering this question I would like to repeat the answer to the question from the Third Elected Member for West Bay when he asked what roads are now under construction. I have just been given a revised list here by the Public Works Department. The construction was: Muriel Jackson's Road; Morgan Harbour's Road repairs; Malery Pierce in Governor's Harbour and the clean up of an alley off Birch Tree Hill Road. In answer to the question....
- MR. PRESIDENT:** Excuse me, so that I understand it, that is the four projects presently under work?
- HON. LINFORD A. PIERSON:** Yes, Mr. President.
- MR. PRESIDENT:** Thank you.
- HON. LINFORD A. PIERSON:** The cost, including the four projects, of jobs to date is \$371,000.
- MR. TRUMAN M. BODDEN:** Just to follow up on that, could the Member tell us what the two largest expenditures were on?
- HON. LINFORD A. PIERSON:** I am not sure what purpose this is going to serve but in order of expenditure: the Birch Tree Hill Road-Kings Road was in the amount of \$141,000; then the Northwest Point Road second application for \$61,000; and then the third highest would have been the Muriel Jackson's Road for \$36,000.
- MR. PRESIDENT:** The First Elected Member for Cayman Brac and Little Cayman.
- CAPT. MABRY S. KIRKCONNELL:** A supplementary Mr. President. Would the Honourable Member say, what is happening about Capt. Shelby's Road? You mentioned it in the first answer and you eliminated it in the second. As I understand it, this road is badly needed.
- HON. LINFORD A. PIERSON:** My understanding, Mr. President, is that the road for Capt. Shelby's Drive is going over private property and that the Public Works Department is now in the process of negotiating with the land owners.
- MR. W. McKEEVA BUSH:** Thank you, Mr. President. I am wondering whether the Member can say, what was the cost of these wells and other works, other than the actual road construction?
- HON. LINFORD A. PIERSON:** Mr. President, I do not have the details of the costing of the separate items, but I will be very happy to supply this information to the Members.
- MR. W. McKEEVA BUSH:** Thank you, Sir. On the matter of new wells constructed in old roads, can he say which roads they were?
- HON. LINFORD A. PIERSON:** Similarly, Mr. President, we will provide this information in

writing.

**MR. PRESIDENT:** I think these roads have been pretty well-travelled now. More supplementaries or should we move on?

**MR. W. McKEEVA BUSH:** Thank you, Sir.

**MR. PRESIDENT:** The Third Elected Member for West Bay, No. 189, please.

**THE THIRD ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE**

**NO. 189:** Would the Honourable Member say what is the status of plans to establish a new infant block for the John A. Cumber Primary School in West Bay, and when is it expected that the new classrooms will be completed?

**ANSWER:** Phase I of the new Infant School for the West Bay District started on 15 October 1990. The completion date of this phase is expected to be 15 April 1991.

**SUSPENSION OF STANDING ORDER 23(7) AND (8)**

**HON. THOMAS C. JEFFERSON:** Mr. President, while we are waiting for the answer to be given, I believe in accordance with Standing Order 83, we should suspend Standing Order 23(7) and (8) to allow the other questions and supplementaries to be taken.

**MR. PRESIDENT:** The question is that Standing Order 23 (7) and (8) be suspended. I shall put the question. Those in favour please say Aye...Those against No.

**AYES.**

**MR. PRESIDENT:** The Ayes have it.

**AGREED. STANDING ORDER 23 (7) & (8) SUSPENDED.**

**SUPPLEMENTARIES:**

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

**MR. JOHN D. JEFFERSON, JR.:** Mr. President, I wonder if the Member would advise this House what Phase I consists of?

**HON. BENSON O. EBANKS:** Mr. President, Phase I is four classrooms.

**MR. JOHN D. JEFFERSON, JR.:** What is the proposed cost and who is the contractor?

**HON. BENSON O. EBANKS:** The contracted figure for Phase I is \$443,970.77 and the contractor is Quality Construction Company Limited.

**MR. PRESIDENT:** The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:** Mr. President, just for clarification, did the Member say that the figure is \$443,977.77?

**HON. BENSON O. EBANKS:** No, Mr. President. I said \$443,970.77.

**MR. W. McKEEVA BUSH:** Can the Member confirm that a figure of approximately \$700,000 was estimated or budgeted for those four classrooms?

**HON. BENSON O. EBANKS:** That is a possibility, Mr. President, and in fact, there was site work in addition to this contracted figure. Site work which was done by Public Works or certainly under their direction, I do not know whether they put it out on contract or not.

**MR. W. McKEEVA BUSH:** Can the Member say then, did the site work cost the difference?

**HON. BENSON O. EBANKS:** Mr. President, I do not have the breakdown for the site work that was done. I can supply it to Members.

**MR. W. McKEEVA BUSH:** Thank you, Sir. Can the Member say, whether the intended

Phase II is going to cost in the same region?

**HON. BENSON O. EBANKS:** I think that is estimated to cost somewhat less, Mr. President.

**MR. PRESIDENT:** The First Elected Member for Bodden Town.

**MR. ROY BODDEN:** Thank you, Mr. President. I would like to ask the Honourable Member, what is the reason for such a significant difference between the sums requested to be budgeted and the actual cost of the contract?

**HON. BENSON O. EBANKS:** Mr. President, I have already said that I knew that there was site work preparation and the building of an access road, which was included in the total project, but I do not know what the actual cost of that was. But I can undertake to get the figure for Members.

**MR. PRESIDENT:** The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Thank you, Mr. President. Would the Member say what is the square-footage cost of the construction of the four classrooms? From the figures that are quoted it seems like each classroom cost over \$100,000. They must be the most expensive in the world.

**HON. BENSON O. EBANKS:** I do not have the figure, Mr. President, and that is getting very distant from the original question.

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

**MR. JOHN D. JEFFERSON, JR.:** Thank you, Sir. The Member in his original answer mentioned that Phase I had actually started on 15 October. Does he mean the actual construction, or the clearing of the site, the access road? What has been done so far?

**HON. BENSON O. EBANKS:** That, Mr. President, would have been the actual construction. The site preparation took place before that.

**MR. PRESIDENT:** The Second Elected Member for Cayman Brac and Little Cayman, Question No. 190, please.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE**

**NO. 190:** Would the Honourable Member say what is the advertising cost per tourist arrival to the Department of Tourism for the past five years, per year, up to October, 1990?

**ANSWER:** The annual advertising cost per tourist arrival is as follows:- 1986, CI\$ 3.62; 1987, CI\$ 4.85; 1988, CI\$ 4.65; 1989, CI\$ 5.05; 1990 (up to end of October) CI\$ 6.58.

It should be noted that the last figure given (\$6.58) is averaged out for the first 10 months of 1990. Based on projections for the end of the year, it is estimated that this figure will reduce to approximately \$6.25.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. GILBERT A. McLEAN:** Mr. President, I must confess that I did not get the true answer that I wished to illicit. But as it does relate, perhaps the Member might have the figures as to what the overall visitor arrival cost is in terms of what the Department of Tourism is expending including the advertising?

**HON. W. NORMAN BODDEN:** Mr. President, I am sorry, but if the Member asking the supplementary (and who also asked the substantive question) means that if we took the total cost of our Tourism Department overseas offices, including operating cost for staff rentals plus advertising, what the cost would be based on total air arrivals, I do not have that figure. The figure I gave relates strictly to advertising.

**MR. GILBERT A. McLEAN:** Mr. President, I understand that...

**MR. PRESIDENT:** You could ask for an answer in writing if you would like.

**MR. GILBERT A. McLEAN:** If the Member would supply it in writing I would appreciate it because I am sure it would show a much more realistic number than what is here.

**HON. W. NORMAN BODDEN:** I can supply the information. I would just like to have a clear understanding of what the Member is asking. Am I correct in saying that what he is seeking is the cost per tourist based on the total operating cost of all overseas offices plus advertising?

**MR. GILBERT A. McLEAN:** Mr. President, that is correct.

**HON. W. NORMAN BODDEN:** Yes, Mr. President, I will give that undertaking to supply the information in writing to the Member.

**MR. GILBERT A. McLEAN:** Mr. President, I would like if the Member, in having this information collected, could also take into account the cost of our local tourism offices as well, the Department of Tourism Office.

**HON. W. NORMAN BODDEN:** I can include that as well, Mr. President. I would not anticipate any response to that, but you can do a lot of things with statistics.

**MR. PRESIDENT:** The Second Elected Member for Cayman Brac and Little Cayman, Question No. 191, please. I am sorry, I missed that. The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:** Would the Member say whether the money spent in the U.S. is subject to audit like these figures or not?

**HON. W. NORMAN BODDEN:** Yes, Mr. President, I am sure that they would be subject to any public funds that are spent.

**MR. PRESIDENT:** No. 191, The Second Elected Member for Cayman Brac and Little Cayman.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE MEMBER RESPONSIBLE FOR LEGAL ADMINISTRATION**

**NO. 191:** Would the Honourable Member say whether it is a normal practice that persons charged with an offence in Cayman Brac and Little Cayman can be tried in the courts in Grand Cayman?

**QUESTION NO. 191 DEFERRED**  
Standing Order 23 (5)

**HON. RICHARD W. GROUND:** Mr. President, I am going to ask the leave of the House to defer answering this until later in this meeting because I do not yet have the full information that would be necessary to give a complete answer to the question.

**MR. PRESIDENT:** The question is that Question No. 191 be deferred until later in this meeting. I shall put the question. Those in favour please say Aye...Those against No.

**AYES.**

**MR. PRESIDENT:** The Ayes have it.

**AGREED. QUESTION 191 DEFERRED.**

**MR. PRESIDENT:** Question No. 192, The Second Elected Member for Cayman Brac and Little Cayman, please.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE MEMBER RESPONSIBLE FOR INTERNAL AND EXTERNAL AFFAIRS**

**NO. 192:** Would the Honourable Member say: a) how many dwelling accommodations are owned by Government in the three Islands with a breakdown by number in each district; and b) how are dwellings assigned to occupants?

**ANSWER:**

- a) There are 37 dwelling accommodations owned by Government in Grand Cayman and 12 in Cayman Brac and Little Cayman. The breakdown by districts is as follows: George Town - 34; Bodden Town - 2 North Side - 1; Cayman Brac and Little Cayman - 12.
- b) The authority to allocate Government quarters vests with the Principal Secretary

(Personnel) in her discretion.

In the interests of equity the Principal Secretary (Personnel) uses the following point system for assessing the eligibility of officers for a particular house:-

- 1) Salary Status: With a base of \$1,000 per month two points for every \$250 of basic salary above that amount.
- 2) Length of Service: For every year of service, one point.
- 3) Family Status: Three points for a spouse and four points for each child resident in the Cayman Islands and two points for each child under nineteen not resident in the Cayman Islands.

In the event of a dispute over the allocation of a Government house, the more senior officer's claim will prevail.

Authority for allocating accommodation in Cayman Brac and Little Cayman has been delegated to the District Commissioner. Most dwelling accommodations in Cayman Brac have been referred to as Teachers' Cottages. These Cottages have been available to contracted teachers for the Island and prior to the change in housing policy this year they were assigned to expatriate teachers by District Administration. Two of the dwelling accommodations are referred to as "Doctors' Residence" and these have been occupied by the two medical officers on Cayman Brac.

Now that the housing policy has changed (i.e. 50 per cent of housing formally paid by Government has ceased) any dwelling accommodations owned by Government will be advertised within the Service and will be allocated using the "points" system.

In Little Cayman, the two dwelling accommodations are:- The District Officer's Resident; Public Works Staff Quarters. Both of these are occupied full-time and it is not expected that these will become vacant, thereby allowing them to be assigned to other occupants.

#### SUPPLEMENTARIES:

**MR. PRESIDENT:** Supplementaries?

**MR. GILBERT A. McLEAN:** Mr. President, in the reply of the Member he referred to houses, the question asked about dwellings. Does this include any apartments that Government might have, such as those that at one time were referred to as Tim Thompson's apartments?

**HON. J. LEMUEL HURLSTON:** Mr. President, the answer includes all Government owned accommodations be it houses, apartments, duplexes, etcetera. I should point out however, that there were some Government apartments situated at Halfway Pond, which are scheduled to be demolished. They are presently unoccupied and are not counted in these statistics, as these have been declared unfit and are about to be demolished.

**MR. GILBERT A. McLEAN:** I thank the Member for that explanation because I wondered what Government was doing with that. The question bearing on the definition of apartment and house, the 37 in Grand Cayman that was referred to, refers to actual units and not necessarily the large building in which there may be four or five dwelling units. Is that correct?

**HON. J. LEMUEL HURLSTON:** No, Mr. President. That is the total number of houses or apartments, or any other form of accommodations. The 37 is the total number of buildings, or if you like, accommodations in total. If it was a duplex for example, it would be counted as two. If it was an apartment building with four units, it would be as four. So 37 is the total number.

**MR. GILBERT A. McLEAN:** Could the Member state any sort of dollar value of these assets to Government?

**HON. J. LEMUEL HURLSTON:** No, Mr. President, these buildings have an insured value, but I do not have that information at this time.

**MR. GILBERT A. McLEAN:** Mr. President, would the Member say if there is any scheduled form of maintenance by the Public Works or any other such agency for seeing to the maintenance of plumbing, lights, windows, or whatever the case may be, on a regular monthly basis or such frequencies?

**HON. J. LEMUEL HURLSTON:** Mr. President, there is a regular programme of maintenance. Unfortunately, I do not know the details of the regularity of the maintenance programme, but I do know that there is

a maintenance programme in place.

**MR. GILBERT A. McLEAN:**  
assigned to Government personnel?

Would the Member say if all of the Government dwellings are

**HON. J. LEMUEL HURLSTON:**

Yes, Mr. President, they are all occupied by public officers.

**MR. GILBERT A. McLEAN:**  
on them by location, size or whatever?

Would the Member say if Government assesses rental charge

**HON. J. LEMUEL HURLSTON:**

Yes, Mr. President. Each accommodation is assessed for its rental value and with the change in Government policy as a result of the recent salaries review, persons living in these quarters have to contribute 100 percent of the assessed accommodation value.

**MR. PRESIDENT:**  
Elected Member for George Town.

The final question on today's Order Paper No. 193, The Third

**THE THIRD ELECTED MEMBER FOR GEORGE TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES**

**NO. 193:** Would the Honourable Member say how much had been spent on advertising and promotion of the proposed Pension Law and Plan, and whether the consultants were chosen after public bids?

**ANSWER:** The cost of advertising and promoting the proposed Pension Law and Plan was \$12,672. Which was broken down as follows: Production and printing of brochure \$8,880; Advertising of Plan, distribution of brochure \$2,592; Cost of additional brochures \$1,200.

The consultants for the review of the Pension Plan were selected from a field of four actuarial firms and one individual actuary. The four firms all presented written proposals, and attended in person before the Tenders Committee to answer further questions and provide additional clarification.

Following the presentations and the Tender Committee's selection the Portfolio recommended to Executive Council that the bid from Towers, Perrin, Forester and Crosby be accepted.

**SUPPLEMENTARY:**

**MR. PRESIDENT:** Supplementaries.

**MR. TRUMAN M. BODDEN:** Was this Tenders Committee the Central Tenders Committee?

**HON. D. EZZARD MILLER:** No, Sir, it was a departmental Tenders Committee.

**MR. PRESIDENT:** Proceedings are suspended then for 15 minutes.

**AT 11:22 A.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 11:47 A.M.**

**MR. PRESIDENT:** Proceedings of the House are resumed. Bills, Second Reading, the Appropriation (1991) Bill, 1990. Debate on the Second Reading continuing. The Third Elected Member for George Town.

**GOVERNMENT BUSINESS**

**BILLS**

**SECOND READING**

**THE APPROPRIATION (1991) BILL, 1990**

(Debate continues thereon)

**MR. TRUMAN M. BODDEN:** Mr. President, when I finished on Monday afternoon I was dealing with the question of the Public Debt and I had stated that the Public Debt stood at \$31.5 million and a further \$13 million was being added in 1991 to pay for all of the cost of the Capital projects. I was showing that at present, the cost of servicing that was 5 per cent of the ordinary revenue of the country. When the \$13 million went

in, it was 6.8 or 9 per cent to service the \$43 million and that \$11.5 million of the debt was not yet being repaid. When this was taken into account, in fact, it would take 9.5 per cent of the local revenue to service the \$43 million public debt of the country. The Member for Communications and Works intervened and pointed out the distinction between self-financing debt and debt which was directly owed by the Government.

I have now had an opportunity of refreshing my memory on this and I have found that what he has said about the distinction between self-financing debt and public debt of Government is there. I would like to deal with that specific aspect at this stage.

The self-financing debt arises mainly from the Civil Aviation Authority and the Port Authority loans. Government has either guaranteed these loans or alternatively has jointly entered into agreements on them. The largest part of that \$10 million is for the Civil Aviation Authority which stands at \$7,474,000 of the \$10.4 million, or approximately 70 per cent. The next highest and substantially the balance, is that taken up by the Port Authority. These are statutory authorities and the Civil Aviation Authority in June 1987, had transferred to it, assets of Government, being the airport and presumably buildings and surrounding lands valued at \$22,453,000. That stands as an interest free loan from the Government payable over 40 years with no interest, and with a five year moratorium on payments.

This very clearly has been a move by Government of taking substantial assets, putting it into a statutory authority, transferring the debt or alternatively have it borrow money which it then guarantees. Now the Member for Communications and Works would like to say, that is no longer a public debt. I disagree with that because the Civil Aviation Authority and the Port Authority, while they may be statutory bodies, the Government of these Islands is responsible for their loans. It has loaned them money to purchase the assets which belonged to Government. This is similar to the method that has just been used recently, whereby the Government balanced its Budget and picked up supplementaries in the middle of the year.

It all comes out to the fact that Government is ultimately responsible for these debts. It is just not satisfactory to say that when you have a large debt accumulated in an area, you hive it off into an Authority and you undertake to guarantee it. Then you say it is not public debt. I guess the real crux of the matter with any debt is who makes the payments. The payments on these debts are made by Government. The statutory authority gives Government the money and Government pays the debts. Now nothing could be more clear than that. If this was a situation where Government had no obligation legally, morally or otherwise, then it may be possible for the Member for Communications and Works to argue that this is not public debt. But we all know it has always been regarded as public debt and he need not take my word. I would like to read from the Budget Address which he has approved. We have got to remember this Budget has been approved by the Governor and his Executive Council. If you look at page 66, the top line says: "At January 1 1990, the total public debt stood at \$29.8 million, of which \$19.4 million was direct central government debt and \$10.4 million was self-financing debt owed by the statutory authorities, but guaranteed by Government."

So out of his own mouth, so to speak, is a very clear acknowledgment and it has always been understood that this is public debt because government pays the money. The day the statutory authority does not pay Government its share, Government is going to have to make the payments on the debt. So I cannot see now how he could argue otherwise, in fact, in the middle of that page the Budget further reads: "These changes in the public debt position indicate that the total public debt obligations will stand at approximately \$30.5 million by year end."

What could be more clear? What I would like to submit on this is that this attempt to hive off heavy debt into authorities and then try to deny that it is public debt is only a gimmick, and we are really playing with politics and trying to say to the people that because we passed it on along with assets to the Civil Aviation Authority, it is not public debt.

So I have no doubt in my mind, nor should the Member for Communications have any doubt in his mind, because out of his Budget-approved speech comes the answer to the problem with which I agree. Therefore, what I am saying is that when we reach \$43 million of debt, which includes the \$10 million of the statutory authorities, we are reaching approximately 9.5 per cent of the Government's ordinary Revenue and the red flag must come up at that stage. We are getting into the danger area.

What I have submitted in my view, is what the realistic situation is. It is just as realistic as what I have, at times earlier on in the Legislature referred to, that one good day this supplementary budgeting, getting all of this money in the middle of the year which is not accounted for in the Budget would finally catch up with Government, and it has. This \$10 million may be adjourned, but realistically it is public debt.

Mr. President, as Governor, yesterday you stated: "Between the public debt that may arise here, the Constitution provides that a Governor must assent to a Law for a loan and the Secretary of State may disallow it.". There are at least two lines there before you get to the moral obligation, and I would like to deal with that area of your statement. I believe that it would not be prudent to leave the borrowings of this country to the late stage, where the extraordinary powers of the Governor or the Secretary of State have to intervene and state to the country: "You have over-borrowed." While I accept that under section 39 the Governor has to assent to Bills, and under section 41 the United Kingdom has the power of disallowance, I believe that these are extraordinary powers which I do not remember at least in my years, have ever been used. The reason for that is that under section 37 of the Constitution, normally, the Governor has to agree to money Bills (or any increases in revenue), before they go on to be dealt with.

We do know, however (at least I understand), that other colonies have had problems where they have over-spent, and it has gotten through somehow both with the assent of the Governor and the disallowance stage of the FCU. This is a matter of judgment; we are dealing with human beings. Speaking generally only, I believe that the disallowance of Bills is one which can become less effective because the Governor sits in Executive Council and he would normally, under section 37, have given approval for a

money Bill to go on at an earlier stage. Having done that while there is a power in relation to assent, that the position would be substantially fait accompli when it reaches that stage.

Being in the situation where the outlook in certain areas may not necessarily be easily seen, for example the situation in the Gulf at present, I think that the duty of the Backbenchers would be to ensure, as far as possible, that there not be excessive spending; that excessive loans are not taken out at the early stage and that we should leave the two powers of assent or non-assent and disallowance as total last resorts.

I would like to move on now from the point of loans to deal with a few small areas before concluding my debate. The Government's Budget (that is, the Budget of Executive Council, the Governor, his Official Members and the Elected Members basically) has said that there should be a reduction in spending and an attempt to curb increases in new civil servants' posts and new spending. I believe that it is very important that we look at all of this Budget very carefully to see what areas can be reasonably reduced, and to see whether there could be areas that the Executive Council, when going through this, may have missed or may not have cut sufficiently.

I believe that should begin with Head 1, which is the Governor's Office and household and it should go straight through to the last area in the Budget which deals basically with the figures of the extra staff for Agriculture. For example, in Head 1 we find that the approved Budget was \$259,298 and was revised to \$311,860, which is a 20 per cent increase over the present; and that next year, 1991, it will be up by \$75,672, over the 1990 Estimate, or about 29 per cent and naturally, salaries play a substantial part in this. The last figure perhaps which would be the last Head we find for example, that the Technical Support for Agriculture is looking at new staff which equals \$306,300 for 1991.

The point that I am making here is, it seems to me that we have to begin from the beginning and go to the end and see whether Government's proclaimed aim to try to reduce expenditure, and I do not know what of this can be reduced until explanations are given, but everything needs to be looked at because the position at present is one in which the saving of every dollar, I believe, is going to be important.

I would like to mention a small area, as I spoke on Monday about the large amount of repairs that were needed in George Town. I would like to just make it clear that the \$200,000 for repairs this year, which will be used completely I understand, was doubled by the Backbenchers from \$100,000 to \$200,000, for road repairs. Added into that was money for ramps, and I believe, bleachers and street lights.

It was some five months later on a tour with the two Members for George Town, sometime in March or April of the following year after the Estimates were dealt with, that we received a few months after that a shocking estimate that it would take several million dollars to actually deal with the repairs. But, the Member for Communications and Works is now well aware of the extent of those repairs and hopefully somewhere within the Budget we will begin to see the light in the George Town road repairs area.

I have very carefully kept away from getting into the past because I believe that when a Government cannot solve present problems they try to blur the issue by going into the past or making attacks on politicians. I believe that it is the Government's duty, as prudent financiers, that they should look forward because if they spend too much time looking backwards, some good day they will either trip or run into a wall. I believe that financial wall has now risen in this Budget.

I also believe that the only way to go forward financially is to look forward and to come up with solutions to the present and future problems. The past is history and quite frankly, I believe the public is disgusted with hearing a lot of time spent on the past. They want solutions to the present problems and there are enough problems at present to keep ExCo and everyone else busy.

Lastly on this point, I believe that from the financial point of view, instead of each of the four Elected Members trying to push his Portfolio's projects, they should be working together, getting their financial and other priorities worked out jointly. It is my opinion that we have a leaderless Elected Government, which at times is in the wilderness, where we have each ExCo Member going in a different direction financially and otherwise. Briefly, it seems (as one ExCo Member put it) that each of the four Elected ExCo Members is a leader. There are problems and this is shown in the Budget. I believe that they are leading in different directions and there is only occasionally one follow-up.

Therefore, from a financial point of view I think the Budget Address has given very good guidelines. I believe that policies have to be worked out and I do not believe that we must run to experts every minute of the day that we need answers. The electorate has put us in this House. We have put the four Elected Members in Government. They have a certain amount of expertise and they must use it; and planning in this area needs a lot of input from them because a lot of what has come back from the experts (where money has been wasted), has been because the original terms, the reference and the instructions to experts were not given with sufficient particularity as to what had to be achieved within a budget. They were told perhaps to prepare the best road plan one can get or prepare an extremely good hospital. The terms of reference should have been set out. We have \$5 million or \$10 million to do it with. Tell them what you have and ask them to give you the best within the budget.

One last point on this is that in an answer given in the June sitting to a Parliamentary Question by the Second Elected Member for Bodden Town stated to the Member for Finance and Development, that Government Surplus revenue at the end of May 1990, was approximately \$15,791,000 and the reserve at the end of May 1990, was approximately \$18,000,860. So that undoubtedly in what you could nearly call the present past, Government's financial position was good. There has been a serious deterioration since.

I would now like to conclude with an extremely brief summary of



some of the major areas that I have dealt with. Once again I would like to congratulate the Honourable Financial Secretary for a very able, very clear, well-documented and supported Budget Address which he has presented to the House; it is realistic. I believe that this House has to jointly try to work together in a realistic way to see what we can do to bring about some of the aims that are set out in it.

There is a deficit of an estimated \$18 million in 1990. The projected in 1990, for 1991 of borrowing is \$13 million, and in 1991 the Government's ordinary revenue will only cover its recurrent expenditure, which is mainly things such as Civil Service salaries and debt-servicing.

The Public Debt will be \$30.5 million at the end of the year and if in 1991 we add a further \$13 million to it, we come out to \$43 million. I will not repeat that, but I believe that when we take into consideration the moratorium and the \$10 million or \$11 million that we are not making repayments on at the time, then we are somewhere between the 9 and 10 per cent of the recurrent revenue to service the debt.

On Inflation: this is increasing and getting to a worrying stage. It has been assisted and to a large extent brought about by the recent \$10 million worth of taxes, especially on things such as fuel and increases in hospital fees. In fact, in the newspaper today I see that there is a further Caribbean Utilities hike from 50 cents to approximately \$3.00, and they are saying it is due to the increase of prices on oil and Government's increase in Import Duty on it. I believe that the increase of revenue by some \$10 million for 1991 over 1990 is somewhat over-optimistic and with a fall in economy we may not necessarily reach that mark.

On the stability of the country, which is so crucial, we find that it is affected by inflation, the unemployment situation, the change in Finance Committee; and it is affected by uncertainties surrounding Constitutional change. Given that the public has ample time to deal with it, we should try to get this into a state where it is certain and hopefully finalised. I also believe that the problems of the Government in losing its majority of the Elected Members of the Legislative Assembly, is also one that is hurting stability. I have stated that now that we know there is a serious slowing down in the economy, the Member for Tourism should consider beginning to look at the hotel moratorium to see whether that may not be adding too heavily to an already heavily burdened economy.

Briefly, in George Town - and I cannot stress this too much - some of the funds within the \$13 million Capital needs to be allocated to the George Town Primary School. Where that would come from I do not know, but there have to be projects there that are of less priority than dealing with the overcrowding of some two years now, that we have in the George Town Primary School. Now that we know the heavy cost of repairs in George Town, I would hope that there could be a start on getting some of these done. The upgrading of youth centres, play fields and dealing with facilities to reduce drugs, crime, alcoholism, whatever should be given priority and where there is not sufficient funds allocated in the Budget, these should be taken from a Head which is of less priority.

The scholarships have to be sufficient, I think we doubled them last year, and I would like to hear how far those funds went. If they were short then I would support moving money from somewhere else out of the \$13 million to there. I believe that contributions to private schools have to be given priority from an economic point of view, as well as, from the point of view of their importance to the school system and to the community as a whole.

I dealt with several other Heads and I believe that this could really be summarised into saying that I would hope that when money is available, these could be dealt with. I mentioned that I believe Government's duty is to solve the problems of the present; to look forward to try to deal with the future and not to waste time on the past, because, normally, when you have no solutions to problems, what you do is you blame someone else or you go into the past.

Moving on from that, I would like to give all Members of this House the assurance that I believe we are prepared now, as we were a year ago, to try to realistically look at the Budget, to get together as we did then in areas where there can be some meeting of the minds to reallocate or reduce some of the funds that are in here and to take a positive and forward approach to dealing with the country's problems and try to jointly come up with solutions for the good of the people, and of the Cayman Islands as a whole. Thank you.

**MR. PRESIDENT:**  
Health.

Does any Member wish to speak? The Honourable Member for

**HON. D. EZZARD MILLER:**

Mr. President, I also wish to compliment the Honourable Financial Secretary on the Budget Address. There is certainly much food for thought in this speech and some interesting economic analysis as provided by one train of thought and a particular style of economics. Though I must disagree most strongly with the analysis and deductions made from this information by the two previous speakers in this debate (that is, the Second Elected Member for Bodden Town and the Third Elected Member for George Town), it is difficult to believe that we are referring to the same Budget Address.

Hopefully, by the time I have completed my contribution to this debate - while it will not be as verbose or sleep-inducing as the contribution by the Third Elected Member from George Town, or as vociferous, loud (and somewhat erroneous in my opinion), as the contribution by the Second Elected Member for Bodden Town - I hope to raise some salient points and shed a different light on the subject, while disproving most of their hypothesis and economic theories.

The Honourable Financial Secretary in the introduction of his speech, made three very important points, which unfortunately escaped notice or were excluded by that great selective filtering process found in the auditory canals of the political Opposition in this House (who have collectively adopted the title 'Backbenchers') which allows them to hear only that which they choose to hear to advance their strictly political purposes. These three points were: the changing factors in our external economic

environment; increasing prudence in our public expenditure and improving efficiency and effectiveness of revenue collection.

These three points, the first being a force which dictates a cautious approach to the 1991 Budget, as has been done, the second and third being measures which will improve the productivity of the Civil Service of this country, as has been the style and actions of this Government. In spite of the political stumbling blocks that have been placed in our path since November 1988 (including, but not limited to, marches, delegations to London, attempts to overthrow the Government and much passive resistance by politically-motivated job-contented, change-resistant and status-quo-retentive civil servants), the Government has made some progress in improving the services offered to the citizens, visitors, businessmen and investors in this country. So go along with, and to justify the lucrative and generous salary increase in 1990.

I do not wish to repeat what the Financial Secretary said about the world economy, only to endorse what he said, and to add that by the very nature of these changes we have to be careful and cautious. I must also add that by the very nature of our financial industry we could have some positive gain, in that sometimes it is bad times like these in other countries (in particular the prospect of increased taxation by developed countries) where we become more attractive to investors, bankers, trust, etcetera. We could stand to gain from these worldwide economic woes, as well as to lose. It is my belief that we have to be careful in applying economic theory designed and developed for agricultural-based export nations, to our type of financial money-exporting economy, for which we and the world are still in the infancy stage in our theory development.

Again, because of several factors special and peculiar to the Cayman Islands which make us so much more attractive to the tourist than other countries, it does not follow that a recession in the United States or the North American market will mean death to our tourist industry. I should not dwell too much in these unfamiliar waters, as I am sure that the Member for Tourism will deal in much detail with the detractors in this area, and put their alarmist attitude to rest.

I can also endorse and support the Honourable Financial Secretary's remarks on the local economy. But we can also proclaim that this Elected Government has responded and answered yet another call from the public that it serves so faithfully to slow the economy. We have done this through prudent well-founded and carefully considered decisions in Executive Council. We have moved from what was considered in some areas too rapid a rate of growth of 15.6 per cent in 1987, to a more moderate, tolerable and what will no doubt be very acceptable to the sensitive well-thinking, average Caymanian, growth rate of 9.5 per cent in 1990, and a predicted 9.5 per cent for 1991.

As would any good Government, we realise that to stop all growth would be detrimental to all Caymanians who are accustomed to a certain life-style. In other words, this Government has responded positively to the public demand to slow the economy through timely directives to the Caymanian Protection Board, and the hotel moratorium to produce the desired effect of allowing the country to catch up in its social provisions; and it is unfortunate that the single most important aspect of this social development and need - the Pensions Bill - was scuttled by special interest groups and popularity-seeking politicians on the Backbench. But I will deal with that aspect in much greater detail later on.

In addition to the social provisions, we have the time for infrastructural improvement necessary for sustained long-term growth rates well into the future, providing the voting population cooperates and assists us in keeping those Backbenchers in check and their hands off the levers of power and the economy of this country, and I have every confidence in the voters that this will be done. I am somewhat disappointed that the very learned Third Elected Member from George Town did not comment positively on all this economic information, other than to say he was amazed...I am not quoting him, I am giving my interpretation of what he said by the correlation of the data and the cross-confirmation of the figures. But, there is no doubt that his colleagues from the ivory towers of academia will not let it slip by.

The private sector in the economy responded by self-adjustments without undue intervention or interference by Government, and that argues well for the future of this country and the development of the private sector. While I support the Honourable Financial Secretary and the Economic Development Unit that our visible trade deficit may be growing, I do not see this as a cause for alarm because our whole economy is based on invisible exports, because we could never hope to be an agricultural or industrial visible export-based economy. We changed that back in the late 1960s and early 70s when we stopped exporting our greatest resource, our people as seamen.

I do not agree visible trade deficit is a fundamental imbalance in the economy. We have to measure these indicators, I believe in our kind of an economy differently because the fundamental difference is in our economic base and not in our trade deficits. We may have to develop separate and specific measurements for this kind of an economy, rather than try to adopt such measurements as were developed for agricultural and industrial export-based economies. The Cayman success story, in its economy is rather different.

**MR. PRESIDENT:**  
suspended until quarter past two.

Would it be convenient to break now? Proceedings are

**AT 12:47 P.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 2:27 P.M.**

**MR. PRESIDENT:**  
Proceedings of the House are resumed. We are on the Second Reading of the Appropriation Bill. The Honourable Elected Member for Health, continuing.

**HON. D. EZZARD MILLER:**

Mr. President, I sincerely hope that the remaining Members of the Backbench will debate these broad and fundamental issues raised by the Budget Address and not their usual petty parochial political peevishness and preferences - for example, the paving of private driveways and street lights.

I found the economic activity and analysis of the labour force most interesting, in particular the jobless rate distribution. While I do not find it particularly instructive that in North Side the jobless rate on the date of the census was above the national average at 7.4 per cent, as opposed to the 6.2 per cent, I would agree that certain individuals (and I might add that there are very few of those) are not employable or have no desire to get a job. I would argue that most of these, in my particular constituency, are probably housewives of the traditional Caymanian model who do not wish to work, but who would rather take care of the family, both the immediate and the extended family. I could probably identify about 30 people which that percentage would represent.

I certainly do not accept the reasons put forward by the Second Elected Member for Bodden Town and the Third Elected Member for George Town. Their reasoning basically being that this is a result of the high cost of transportation due to the tax increase which the Government brought in June of this year, specifically to fund the Civil Service's salary increase. Some people could argue that that package was somewhat unnecessarily inflated by the public utterances, proclamations and political promises of some Members of the Backbench, who by the position taken in the debate on the tax package seem to be telling the Civil Service they were quite willing to double their pay. All they were simply going to do was to photocopy their checks. In other words, they were prepared to give them two paychecks, one would have been a photocopy of no use because there would have been no money in the Treasury to pay them. Certainly the argument put forward at that time, that the total amount should have come out of surplus and reserves, has turned out to be rather wrong.

I also found the analysis of the female and male job allocations interesting, but in my view due to the contiguous liberation and non-sexist attitude of this Government and our society as a whole, indeed the world movement, there is no such thing anymore as female and or male jobs. They are simply jobs and that is the policy of this Government and certainly that is the stance taken by this Member. There are jobs where both can compete equally, and should, in fact, be rewarded equally for equal endeavours.

I think the Budget Address has very strongly demonstrated that the financial community and the confidence of the business investment community is very high at this time, in this present Elected Executive Council. Particularly, in that they are confident with the decisions of ExCo, however unpopular with the Backbenchers and their few supporters who have managed to infiltrate various organisations on the Island; most of them have taken on some kind of pseudo-political party or at least political action groups and may make a lot of noise. We all know the old saying that empty buckets make the most noise. The business community is confident, in spite of all of that unnecessary hoopla, that the decisions made by Executive Council are in the best interest of Cayman, its people and the investors. I believe it is safe to say that this Government will continue to make those sound, reasoned, intelligent decisions as long as it is in Executive Council.

The economic projections put forward in the Budget Address, all three of them, the base line, the pessimistic, and the optimistic views make very good, if not excellent speech-making material and bedtime reading. But, I am confident that the economy will outperform even the optimistic projections because of the good leadership of Executive Council, in spite of the impediments and unnecessary weight of the Backbenchers wailing lamentations, and crying wolf when there is no wolf, for their own political aggrandisement and power-seeking overtures.

The Government's major policy initiatives for the development of the Cayman Islands and its people as detailed in the Budget Address (and in some areas broadly outlined; and even those not mentioned in the Budget Address, for example the Health Plan or the National Drug Plan and other attempts by the various arms of Government to produce some kind of forward planning to allow development and direction in the economy) are all in my view, sound policy decisions based on facts and needs of the country and expert advice. They will all contribute to continued stability, economic prosperity, and peace and happiness for all Caymanians.

To deal very briefly with the 15-year Health Plan, basically the Health Plan was accepted by the Government in Executive Council as its health policy; the way it wants to see the health care provisions and the health of the nation develop in the future. It covers about eight important areas. Most people have jumped on the bandwagon for or against a new hospital. The Government was castigated publicly by certain organisations for wanting to control the whole health care system. It was said that the private sector could provide a hospital and Government did not need to build a hospital because the present one could be repaired for the poor people and the well-off could go to the private hospital. We have boasted in the past that the hospital facilities, and health care in general, in comparison to other Caribbean tourist destinations are very high on the list. The Member for Tourism (whom I am sure will bear me out) and I are beginning to get representations that this might not be so any longer. In direct contrast to the accusation that the Government is trying to gobble up health care, the Health Plan tries to integrate the private health care sector and the public health sector in a synergistic way to produce the best possible health care for the nation.

I have stated publicly (and I repeat it again) that this Government has no objections to a private hospital being built and run on commercial lines, as long as it meets certain basic standards. Unfortunately, we are not sophisticated enough in our legislation, we do not have on our books those standards which are necessary for health care institutions. I have said that if it is built to specifications in the United States Published Health Standards, which is a document that is readily available, the Government will have no objections to it.

What the Government is not prepared to do is to leave the health facilities of this country solely in the hands of private enterprise and have all citizens be at the mercy of whatever they wish to charge, because in spite of accusations being made of the large increase in hospital fees,

most of our fees are still somewhat below those charged in the private sector by those same doctors who are criticising Government's increase in fees. It is the intention of Government very early in 1991, to create a Health Authority which will improve and lend itself to better integration and representation by the private sector of health care, in the provisions of health to the nation.

The building of a new hospital is a matter of priority for this Government, and if we had not had so much opposition to the idea of proper health care facilities, we quite possibly at this stage, could have been to the point of public tendering for the construction of a new facility. Most Members who opposed the plan have jumped on the political bandwagon that says we are proposing a two-site hospital. Nothing could be further from the truth or more ludicrous to any one who has any knowledge in the health care field, of what a hospital is or is not. The Government has never proposed a two-site hospital. The Government has proposed a new hospital on a new site, and the development of the present site into an ambulatory centre; which is just a fancy name for the George Town District Clinic. Of course, this is the greater area of population so naturally, you would find services and related concerns available at that district clinic that you would not find in North Side or East End simply because of the demands. But, the Government will soldier on and maybe one day we will have a proper hospital.

Like the Financial Secretary, I too have some concerns about the ability of the Civil Service to integrate all of these policies and plans into the desired effect. Deep down, I know as always in the past, the Civil Service has given the challenge and the tools to overcome that challenge, through proper motivation, reward and allocation of resources, including incentives. I believe they will succeed in the integration and proper implementation of these plans. I know that the present Elected Executive Council and other Members of Council are committed to their success and I look forward to the presentation of the policy framework by the Financial Secretary and ExCo. If I could borrow the phrase used by the Second Elected Member from Bodden Town somewhere in his Speech, "great minds think alike" and I believe the success of the Governments' decisions since 1988 should allow easy acceptance of any good policy framework, as I am sure the one proposed by the Financial Secretary will be.

Now to move on to the Revised Budget for 1990, because at this stage we are still dealing with estimates as to what the final revenue and expenditure will be. While the revised Estimate for Revenue is reduced by some \$2.5 million, there are reasonable reasons for this. For example, the shortfall in hospital fees of \$1 million plus, but I would hasten to add that has nothing, I repeat, absolutely nothing whatsoever to do with the increase in hospital fees as postulated by the Second Elected Member for Bodden Town and the Third Elected Member for George Town, in their contributions.

The figures for utilisation demonstrate that in increasing the hospital fees, we certainly have not increased the cost so much that Caymanians cannot afford the cost of health care because, if you look at the figures for June 1989, we will see that during the month of June 1989, we had 246 inpatients and we had 3,016 outpatients; in June 1990 we had 226 inpatients and 2,946 outpatients; in July we had 251 inpatients and 2,942 outpatients in 1989, in 1990 we had 246 inpatients and 3,089 out patients. August for 1989 we had 232 inpatients and 3,214 outpatients. During the month of August 1990, we had 220 inpatients and 3,385 outpatients; September we had 231 inpatients and 3,226 outpatients for 1989 and 246 inpatients and 3,323 outpatients for 1990.

So every one of the outpatient figures except for June, is above the corresponding month for 1989 and the revenue from the hospital will reflect this. The reason for the shortfall of that \$1 million was the failure of the Personnel Department in Government to complete certain information necessary for the introduction of a pilot health insurance scheme by the Aetna Insurance Company. This was to be a double-entry type of transaction with an estimate for approximately \$1 million collected, paid to the insurance company and \$1 million collected from them. I think it is rather unfortunate, but again there are good reasons why it did not materialise.

I would hope that in 1991 the Government could take upon itself and I will be so proposing, to offer health insurance to civil servants through a public tender process in order to improve the revenue position of the hospital. In fact out of interest, since July I have had the hospital keep separate accounts for non-paying patients and for paying patients. In other words, everyone who goes to the hospital now has a complete bill worked up and those people who are entitled to free care are simply not presented with a bill. But, records are kept and it is interesting that figures for July, August and September indicate that we have in fact, two paying patients to every one free patient. That is what the statistics show. There may be some reason for doubt as the accuracy of the free care records might not be entirely accurate due to teething problems in keeping these records. Of course, with the advent of computerisation and automation early in the new year this information will be much more readily available and retrievable.

We also have, as said in the Throne Speech, the failure to draw down some \$2.4 million of approved loans and we had the inadvertent inclusion of the \$4 million from the BAC 111 escrow account being included in Revenue for 1990, when it had in fact, been accounted for in 1989 by the Accountant General. Suffice it for me to repeat that at present the ordinary revenue is expected to equal the original estimate for 1990 of \$98.8 million.

Now to turn to what both the Third Elected Member for George Town and the Second Elected Member for Bodden Town have tried to make much hay from and to ring their alarm bells, the supposedly \$18 million deficit for 1990. I can only assume that the way it is presented in this year's Estimate is a result of budget reform and is a part of the medium-term financing plan and that the debit surplus account will be handled in this way in the future.

However, if that reform is applied to any year for which records exist, I believe in the history of Cayman most if not all, will end in a deficit position because if we take the expenses and revenue for the year in isolation as referring to that year, most years' expenses will be more than revenue,

which has always had to be offset by surplus brought forward, loan funds, or drawn down from reserves. Just to pick a few years: 1983's revenue \$49 million, expenditure \$52.1 million, a \$3.1 million deficit; 1984's revenue \$54 million, expenditure \$59 million, deficit \$5 million; 1987's revenue \$65.2 million, expenditure \$72.1 million, deficit \$6.9 million.

In all of those years that deficit was made up by either surplus brought forward, which was either due to the inability to complete capital projects or savings in other areas of expenditure, and I have no reason to disagree with the wisdom of this method. I do not particularly like it myself, but I am not an expert in that area. If we look at 1990, we will see that the \$11 million that we are now subtracting after the \$18 million deficit was carried forward in the Budget Address in December 1989, and was used to come up with the \$1 million approximately of surplus as the Estimates provided for in November 1990.

It was also intimated at the time we gave the civil servants their \$10 million plus salary increase, and it was clearly understood that, although we were putting on what amounted to a \$10 million tax package extended over a year based on the consumption rates, we did not give the salary advance until July. So we had lost the first six months of the revenue measures. We accepted at that time that we would need to take approximately \$5 million out of the Reserves to pay for it.

Imagine how much worse it would have been had we taken the Opposition's position of not needing to increase revenue at all because there were loads of surplus, and loads of reserves from which to continue to pay this \$10 million bill annually. The Government, in its usual good sense and practical approach, said that is not correct, that we believe we have to bring forward the necessary revenue package to pay for the salary increase in 1991, and to help pay for it in 1990. That is what we did.

This big kick-up they are making about transferring from Reserves, that is not a new kid on the block. This is not the first time that money has ever been transferred from Reserves to balance the Budget. Again, just pick three random years: 1983 - \$3.4 million or 34 per cent; 1984 - \$3.4 million, again, about 40 or 45 per cent of the Reserves at that time; 1987 - \$6.1 million, of course we also added \$6 million to the Reserves in December 1989. And the hard cold fact in spite of what they wish to say, the last sentence in that paragraph in the Budget Speech makes it quite clear that there is not going to be any deficit at the end of 1990, and we will admit that is because we did what we said we were going to do on the Budget Address for 1990.

We said we were going to take the \$11 million dollars in Surplus and use it up over the course of the year 1990. We said in July we would have to transfer approximately \$5 million from Reserves, and I will quote the last sentence: "We are expecting an overall surplus for the current year of \$1.3 million, instead of the original estimated surplus of \$1.1 million." So the final bottom line is that there is no deficit.

To deal with some of the other areas and what the Third Elected Member for George Town referred to as a red flag needing to be raised regarding the public debt situation, you know they not only have selective hearing, but they have that great ability to go blind in the middle of a sentence and not be able to see to the end of it. Wherever it suits them to stop - instant blank spot! I say that because the Third Elected Member for George Town read a portion of a paragraph dealing with public debt to justify his great concerns. I just want to read that whole paragraph for the listening public: "These changes in the Public Debt position indicate that total Public Debt obligations will stand at approximately \$30.5 million by year-end." And then he went blank. But it continues: "Of this total only \$6.7 million is expected to relate to Central Government as a result of the transfer of the Water Authority, and \$23.8 will relate to the statutory bodies."

Now why he chose to stop in the middle of the paragraph I really do not know, because what the Member Responsible for Communications and Works was saying is explicit in the rest of that paragraph. But we also need to add another wrinkle to that public debt because Government is not only in the position of owing monies, Government is also in the position of having monies owed to it. In fact, at present the monies owed to Government is greater than the monies owed by Government, including a contingent liability to the public debt for the statutory bodies. So if Government called in its loans it could liquidate its debt. That is not an uncomfortable position to be in.

Of course, we heard great concerns about the public debt in terms of trying to build a proper hospital or providing proper roads. But it was not a concern in order to lend money to private educational institutions. I have not done the exercise to compute and divide up those monies that are being lent out. I am leaving that to my colleague, the Member for Communications and Works, who we know is a expert with figures.

A big deal was made out of the \$10 vote allocations in the Budget. I found that very strange because on the one hand, I assumed by their silence that they endorsed the introduction of the Public Service Investment Committee and the project cycle and so on. All we are saying with those \$10 votes is that those projects have not been completely developed. The plans have not been done and they have not been properly costed. When that is done they will come in the Budget. Those things that are completed and have gone through the process (the ones that we could afford) are in the Budget. Others will have to go through this very deliberate effective management tool of the project cycle because they are all hounding us about value for money and great cost accounting and cost effectiveness and so on. All of that is what this Medium-Term Financial Plan in the Public Sector Investment Committee and the project cycle is there to ensure.

On the one hand they are saying Government is going too fast: it is spending too much money, it is doing too much, it needs to slow down. But then they have a Christmas wish-list as long as the distance between here and Cayman Brac, it could probably reach the bottom of the Bartlett Deep. I guess those things do not cost anything. Of course they are not bringing any revenue measures to fund their list. They are leaving that unpopular thing for Executive Council. That is why they put us on the Executive Council, to find the money.

**MR. W. McKEEVA BUSH:**  
is talking about?

Mr. President I wonder if the Member could clarify which list he

**HON. D. EZZARD MILLER:**

Yes, Mr. President, the Third Elected Member for George Town listed areas that he wanted improved. One of them was in the millions of dollars, on road work alone. The Elected Member for Bodden Town added his wish-list - playing fields and roads - and no doubt when the First Elected Member for West Bay is speaking he is going to add his list. He could not refer to his list yet because he has not yet spoken, but if he does not provide the list this time, it will be in the first debate he takes part in.

**MR. W. McKEEVA BUSH:**

three years ago, we would not have a list today.

If he could do something about what we had asked for about

**MR. PRESIDENT:**

We must stick to our procedure. The Points of Orders and clarification. If you want to say "Here, here" or have cries of shame on this sort of thing, they are permissible within limitation. Please do not use the microphone, it is the same arrangement I mentioned before.

*[addressing the Third Elected Member for George Town]* Is this a

Point of Order?

**MR. TRUMAN M. BODDEN:**

there was a misrepresentation in that what I said ...

I have a point of order similar to what Mr. Pierson raised in that

**MR. PRESIDENT:**

Member...

Wait a minute. The point of order must relate to what the

**MR. TRUMAN M. BODDEN:**

I am just saying my point of order is similar to what the Member for Communications and Works raised on the basis of misrepresentation in that what I did say was that I had this list - but take it out of the \$13 million. That is all.

I am just saying my point of order is similar to what the Member

**MR. PRESIDENT:**

We will take that as a point of clarification.

**HON. D. EZZARD MILLER:**

reduce the list? Why clutter the minds of the public and Members of Parliament with wishes that he does not wished to be fulfilled? Have some priorities.

Yes, Sir. If he did not want the whole list included, why not

I believe the \$13 million in Capital Works in the Budget is spread equitably around the three Islands, because the central facilities like a new hospital is going to benefit everybody in Cayman. Not any particular constituency more than the other, even Cayman Brac and Little Cayman will benefit because there are improvements included for them as well.

You know that they say that \$1 million is too much. Well I can only make calculations based on figures given to me by the President of the Architects and Engineers Association and there are standard things that are used in the industry. Of course, I guess you could go and get Ray from North Side for 50 cents, and he could draw you a hospital on a piece of tissue paper. That is not what this Government is looking for. We are looking for people properly qualified to give us a product that can deliver the services that the public needs and should have, in spite of their opposition to it. They deserve it.

There is opposition to the people in North Side getting a decent post office. Why? We have had one that has been four feet below the road for the last seven years and every time it rains it is just like a river. You cannot add post boxes to it, because every time they add on one side of it, Northwesters come and the locks are spoiled. So you cannot get a new post box. The people of North Side deserve, desire and are going to get in 1991, a proper Post Office because they have proper political representation; and it is not being done at the expense of other district facilities. It is being done in addition to other districts facilities. The Second Elected Member for Bodden Town got his Savannah Post Office boxes probably quadrupled in the last year or year and a half. Now he is objecting to the very deserving people of North Side getting a proper Post Office; but we will get it, Sir.

They have lamented the non-inclusion in the Budget for this concrete building that they have wanted to build now for as many years as I can remember.

**MR. W. McKEEVA BUSH:**

I wonder if the Member could clarify something, Mr. President?

**HON. D. EZZARD MILLER:**

Mr. President, he will have his turn to speak. He can clarify anything he wants at that point and I would appreciate no further interruptions, unless they are done in accordance with the rules. Thank you very much.

Mr. President, he will have his turn to speak. He can clarify

This concrete juvenile rehabilitation centre that we must build - once we build a cement building and call it a juvenile rehabilitation centre they believe we have solved the juvenile problems of this country, even if we never put a child in it, never run a program in it, or never put a teacher in it; just build the building so they can say they voted funds to build the building.

I am more interested in programmes being put in place for those people - and we have. I am currently reviewing a proposal for a remand school in Cayman or an approved school. We hope to operate it out of rented quarters to start with, to accommodate six children. I would just hasten to add to that, that in the final analysis it is not going to be cheap to provide the quality programs and caring people and teachers that this Government wishes to provide. I just hope that they will be as quick to support that

request when it comes as they would be to build a concrete building.

We also heard a lot about the changes in Finance Committee frightening the financial industry. The figures in the Budget do not suggest that. All of the revenue areas directly related to the financial industry are up, except for maybe the Transfer Tax, which has more to do with the real estate industry and other development. I challenge them to produce a single decision made by the new Finance Committee that is detrimental to this country.

**MR. PRESIDENT:** Would it be convenient to break now?

**HON. D. EZZARD MILLER:** Yes Sir.

**MR. PRESIDENT:** Proceedings are suspended for 15 minutes.

**AT 3:15 P.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 3:47 P.M.**

**MR. PRESIDENT:** Proceedings are resumed. The Honourable Member for Health, continuing.

**HON. D. EZZARD MILLER:** Mr. President, when we took the break I was about to comment on a point raised by the Second Elected Member for Bodden Town, where he basically objected to the funds in the Budget for the new hospital. I guess I can be prepared for a battle in Finance Committee, from them trying to reallocate to some other type of activity. I do not know what they will put it to this time. They tried to get slaughter houses last year instead of a new hospital, so they will have to come up with another inventive need at the time. As I said earlier, it is becoming increasingly critical that this country provides itself with a new hospital facility that will be and has to be part of the infrastructural development needed in order to allow sustained growth at a reasonable rate over the long haul in the future.

The Third Elected Member for George Town, in one of his accounting frenzies, suggested that the Budget in its present form, the Recurrent Cost Expenditure, which he intimated as I understood it meant mostly salaries and personal emoluments of civil servants, was being just barely covered by the estimate for Recurrent Revenue. That is not so. The fact is that the \$57 million in the Budget attributed to personal emoluments, which is the civil servants pay, is only 52 per cent of ordinary revenue. The rest of the recurrent expense deals with the cost of running the Government; the cost of providing the services - education, health, social service; services to the financial community and industry, like the Banking Inspectorate, the Insurance Industry, service to the tourism sector and most important of all services to the people that we represent.

The interesting thing is that they all talk about cut backs and that we can do with less people in the Civil Service, but when they want something done, whether it is in their political capacity as representatives of a constituency or in their private capacity as a private citizen, they want their work preformed by the civil servants yesterday. We must constantly cut them back, but we must increase the services that they provide to the public at large; and that is not always possible.

I think it is fair to say that the recurrent expenditure in the 1991 Budget has been controlled to the point where any further reduction in the monies provided, will indeed have to result in a reduced level of service to the public. And again the Pension Plan was mentioned by the Third Elected Member for George Town and I think it was also mentioned by the Second Elected Member for Bodden Town, and that they all want a Pension Plan, but one that will work. Of course none of them have ever given any specific corrections that needed to be made to the present Law, that have not been made, to make it work. They talk about the 8 per cent cost of the plan that was proposed by Government as being inflationary, but the 18, 19, and 20 per cent cost of plans provided by the private sector will have a zero inflation effect.

The Chamber of Commerce conducted, to my regret, a successful campaign of largely misrepresentations to the public about the proposed National Pension Bill. For instance, they ran ads in the *Caymanian Compass* which claimed that the Pension Bill was a form of direct income tax. That is rather reckless coming from what is supposed to be an organisation that represents private enterprise in this country. The one thing we have thrived on is the lack of income tax and it is incorrect to say that the proposed Pension Bill was a direct form of income tax.

They went on with their misrepresentations to say that Executive Council Members were going to control people's pensions. That again is not so. The Law does not allow that, but even if it did, they cannot trust us, whom the people elected, but we must trust somebody that they have elected in some democratic way, in an additional General Election to elect board members for the Pension Plan. Totally impractical! And if the people cannot trust the persons that they elect to represent them, how are they expected to trust the private institutions? .

They make great proclamations about what they claim have been failures of the National Pension Plan. Of course I am still looking for one that has failed and cannot find it. They might say that the rates of contributions have increased, but the Public Pension Plan has not failed. It is paying the people the Pension that they said they were going to get.

We have many instances of private sector Pension Plans. We had a big case a few months ago, where they took the pension funds and bought airplanes. We have no control over private investment, but in Government in its attempt to try to provide a safety net, a minimum pension value

which guarantees every working citizen in this country who works more than eight hours per week, an income from the day he retires until the day he dies, they take great exception to that.

Well they conducted the public campaign. Some politicians jumped hither and tither, and made public proclamations about the inadequacies of the Plan that could not work, nothing specific of course. I gave the Plan what I thought was my best attempt. Maybe it was not good enough. I will leave it for those who come after me to improve on it and deliver it. I have no problems with that.

On the other hand, the Chamber of Commerce promised the workers of this country Pension Plans. They have said that they can do it cheaper, safer, and more effectively than a National Pension Plan. I publicly challenge them to get on with the job, and charge the employee no more than the 4 per cent that the Government said they would have to pay if he chose to join the National Pension Plan for his minimum Pension requirements. Tell them to get on with the job. The ball is in their court now and I will do whatever I can to stir up the employees to demand it from management because it has been promised to them. They said that they are more trustworthy than the Government. They said they could do it cheaper. So maybe they can do it without contributions; they do not even need the 4 per cent from the employee. Provide them with the benefits and please I ask them not to take the interest on the account and go on a vacation or buy a boat, because those funds belong to the people who work for it.

We will see, but that will be like their great proclamations on the Health Plan. The private sector had the money to build it! They had seen the documents! No such documents existed. Nothing has been built and in the absence of Government being allowed by the Opposition to go forward, the private sector have scaled theirs down. They have reduced what they are going to build and Government has placed not one single obstacle in their way. I will tell them something Sir, if they do not provide a Pension Plan, this is what they actually said, "If you do not get mandatory pensions of some sort, you are going to have to pay income tax to pay that \$10 or \$15 million from welfare", and that is going to cost this country in 10 years, taken from Social Services. That is where it is going to come from.

They have the figure which I gave to them. We had 2,300 people in 1989 over the age of 62 years. If we assume that only 25 per cent of those people need a pension of \$200 per month (on which they cannot survive in this country, so they would need more), the bill would be \$13 million. If you gave it to everybody it would be \$43 million, and the Chamber of Commerce Committee tells us that Government should pay for that out of the increase in work permit fees. Then, when we increased the work permit fees here in June, they objected to it. Do you know what kind of increase you are talking about to get \$43 million when you only have an estimate for 1990 of approximately \$4 million in the Budget for 1991? That is the kind of representation I get from the Chamber of Commerce which is purporting to have represented the industries in this country. Now the industries are coming to me on an individual basis and telling me that was not what they were saying. The Pension Plan is not a bad thing.

Anyway, time will tell. But I cannot accept that a National Pension Fund at 8 per cent is going to be inflationary, but a Pension Plan bought from Cayman Insurance Centre at 15 or 18 per cent has no inflationary fact on it. That is the argument they are putting forward. The public is so confused by their advertisements that the four Elected Members of ExCo had a representation from a dear old retired lady who gave her best to this Island at the Hospital. She came to the Glass House to beg us not to interfere with her pension because the Chamber of Commerce's advertisement said that we were going to take it away. And that is not misrepresentation? If I was not in Parliament I would say it was lies!

I believe the 1991 Budget is a good Budget. I think it is cautious where caution needs to be taken; I think it takes into consideration the effects of the global economic situation; it takes into consideration the local needs. It does not cater to all of the whims, fancies, and desires of all Elected Members. Once again in the 1991 Budget the Government has its priorities right. The biggest part of the Budget was for Education; that is our number one priority. Secondly, we realised our tourism industry might be under some pressure. We are competing against increased spending by other competitors. So that receives the second large amount for the Budget.

Health, we believe is again very important because it is very difficult to educate a child who has a toothache or a stomachache all day long, and that receives the third amount in the Budget. The Capital Budget has similar priorities and considerations. I am confident that the targets set for revenue in the 1991 Budget will be attained and I maintain that it is in fact a good Budget. Thank you very much.

**MR. PRESIDENT:**

The First Elected Member for Bodden Town.

**MR. ROY BODDEN:**

Thank you very much, Mr. President.

In my attempt at a contribution to the Budget Address I would like, if the Chair so permits, to preface with a short anecdote because I believe that the lesson at the end is noteworthy, especially in light of what the last speaker was trying to say.

It was a common custom among Greek sailors to take a mascot on voyages and it happened that on this particular ship a sailor took a monkey. The ship experienced some bad weather, a rather rough storm in the Aegean sea, and was wrecked. As a consequence the sailor had to leave the monkey to fend for himself. A dolphin was swimming by and saw the monkey floundering and decided to rescue him. When the monkey hopped on the dolphin's back he struck up a conversation. The dolphin asked the monkey, "Are you an Athenian?" So the monkey said, "Yes, I belong to one of the oldest families in the city." Upon which the dolphin replied, "Ah, then you must know Piraeus?" Now Piraeus is a port city adjoining Athens. The monkey replied, "Why, yes, of course. Piraeus is one of the most prominent citizens in Athens." The dolphin in his disgust at such inexactitude left the monkey to fend for himself. The moral of the story being those who pretend to be what they are not will soon find themselves in deep water.



I am not an economist, so I am not going into any grave economic expositions. I am going to try to contain myself to what I see as being relevant in terms of what the Budget Address referred to, or what it did not refer to, in the area of Education, because the Member is supposed to elaborate on some matters which are directly related to what I would consider Constitutional areas, rather than constituency areas.

The last year has been one of mixed fortunes as far as what my constituency has received from the Budget. We have reason in some instances to be satisfied and in other instances we are grossly disappointed. We are still awaiting the back road for which my constituents have been begging for some years now and we eagerly anticipate the promised launching ramp.

I must say that the Portfolio of Communications, Works and Agriculture has tried to be as accommodating as they could have been, which is not to say however, that things cannot be improved. In addition to that, there are a number of areas which my constituents have brought to my attention, and one concerns the Fences Law which affects many of the cattle ranchers and farmers in the area of Bodden Town. So, I would like to give the Government notice that with the help of my colleagues on the Backbench, I will probably be bringing a Motion in February asking the Government to re-examine that Law, to see if we can address some of the onerousness of which my constituents complain.

I believe that the Motion calling for the diversification of the economy was a timely one, and certainly events in this Budget have justified that timeliness. I would like to suggest in this time of economic and financial stricture that while we are not too constrained, it is high time that we begin to see how we can further expand.

The previous speaker made reference to the number of elderly people who will be on welfare in a few years from now and of the necessity to make some provision, and he posits a Pension Plan for these people. I agree with his cause for alarm over these growing numbers of people. While I also agree that it is the duty of any Government to look after the welfare and protection of its citizens. In a time when even eastern Europe is getting away from state provision of everything, I think we here must look very carefully at our attempts, the attempts of the Government, to be the 'be all' and 'end all' for the people, so that what we get our people accustomed to are handouts and doles from the Government.

I would posit that if we search we can find areas, agencies and models that we can perhaps investigate the tapping into. When I brought the Motion I did not explain and expound then because, in essence, I was as I usually am inclined to do since coming here, playing a little politics, but I am going to shed the politics and I am going to get down to some sincere nitty-gritty.

There is an organisation called Action International, out of Cambridge, Massachusetts. This organisation over the past five years has loaned \$75 million to Latin America for the development of small projects. The money, may I make explicit, is loaned to poor people, especially those who do not have the collateral to qualify for loans from the commercial establishments. This is how the scheme works. There is a ceiling on the amount of money loaned. Usually, the money is loaned to people in a neighborhood or a group of people who wish to develop a specific project, and those people stand guarantors for the loan for the person who borrows the money.

In one case study which I read, one family borrowed the money to start up a little cottage industry involving a seamstress. Five hundred dollars was loaned to purchase a sewing machine. There were 30 people involved who were responsible for that loan. The loan has since been repaid. Going on to three years now, the person has three machines so far and employs three people full time. I have also read in the bulletin where 98 per cent of the loans are repaid. There is only a 2 per cent default.

In Bangladesh there is a bank called the Grameen Bank, which was funded by this project and which is very successful now. What I am saying is that we should see if we can tap into some of these sources and develop cottage industries in our country, especially if we wish to continue to be tourist-oriented, because if you take a stroll in many of the souvenir shops which cater to tourists, when you examine carefully the goods that they are offering you will see on the bottom, made in Taiwan, made in Hong Kong, made in India, made in every other place except the Cayman Islands. In all seriousness I believe that if this agency lends to countries like Ecuador, Costa Rica and Peru, maybe they will lend to us. Now, I realise that we have a disadvantage in that we are not a sovereign nation and it would probably have to be channeled through the metropolitan country, but I see no reason for us not to approach this organisation Action International of Cambridge, Massachusetts, because I believe in the old oriental adage: "Give a man a fish and you have fed him for a day, but teach a man to fish and you have fed him for life."

If we develop projects like these we will lessen, by a significant amount, the money we have to give people through the Social Services Indigent Programme. Who knows, we may even lessen the urgency for the Government to implement the Pension Plan, thereby freeing the Government to do what I think would be the ideal situation: make a Pensions Law with Regulations, and then leave it to the private sector to institute pension plans for those people employed in those sectors. The Government then, would only have to regulate and see that its citizens are being protected.

It is true to say that the state of financial affairs now concerns everyone in the country. It is also true to say that it makes little sense to name-call and point the finger. It is incumbent upon all of us to work together to see how best we can steady our ship. Having acknowledged that does not exonerate the Elected Members of Executive Council from the charge that they have somehow bungled, or are bungling the finances. Some people 'raised eternal Cain' when Members of the Backbench saw fit to vote down the then popularly-termed grandiose projects. With hindsight, that move has turned out to be a godsend because if we are in these straits now, I do not know what kind of straits we would have been in had we agreed to the \$100 million or \$200 million for the MGTP.

It is a fundamental principle that we cannot afford to spend

more than we are taking in, and I am frightened at the prospect that every time we wish to raise money we have to tax the people or we have to raise revenues. I do not think that is good enough. I believe that we would be prudent to find alternatives to that, so that we use that measure only in cases of last resort.

It is also difficult to refrain from a certain amount of concern, when it comes to the allocation of funds for constituency and district projects. We have to go by the facts and figures. I am still to be convinced that in the allocation of monies in our present situation, one could be justified in allocating \$270,000 to build a post office in a district or area which the demographics have shown to be not growing. To compound it, the person proposing that allocation is so uncooperative as to not be willing to explain that.

Our resources are scarce and we have to prioritise. What frightens me is that the position upon which we are standing right now is the same position that many prospective, progressive countries were standing at before they fell into the abyss. The books are lined with them: Trinidad before the oil crisis; Jamaica in its heyday; Venezuela and Mexico. We have to be careful. Caymanians have always prided themselves on their common sense, and their being astute. We are some of the most astute people in the world. In fact, we were so astute that we rode the ships flying flags of convenience to the pinnacle, and when that dried up we turned ourselves into a tax haven and made the best of that. Are we going to throw away all of that astuteness and go after some unrealistic pipe-dream just because we think it is necessary to have these kinds of infrastructural developments? Or, are we going to get ourselves embroiled in these kind of schemes because we think it is necessary to do that to be re-elected?

Let us be practical, let us be honest and let us be realistic. The country must come first because the country has to continue long after the politicians are gone, and there is a price to pay for all that grandiose dreaming.

Some time ago I made a call for greater investment in human resources. I said that the world was becoming a global village; that we were going to be affected as much by events which were happening in eastern Europe and North America, as we would be affected by events which were happening next door to us. I was laughed at, call arrogant, told I was out of place. Well, events are proving that true and we in the Cayman Islands are going to have to compete with the countries in eastern Europe for the American tourist dollar and for the Japanese tourist yen, and if we are not smart, we are going to be caught in the dark with nowhere to go.

I think that we have to exercise caution, to be fiscally conservative, and we have to weigh carefully and prioritise. This is the time to do that. What we are talking about is not something so far-fetched that only Doctoral candidates can understand. It is a fundamental principle of economic survival. If you spend more than you are taking in you will soon find yourself in trouble. This concerns me because so far we have been living well, eating well, and doing well, but if we get carried away we will be in trouble; that is the point to which we have arrived at this stage.

We on the Backbench are castigated because we dare try to juggle the priorities so that the districts are not left out. We are accused of being parochial; of being insular. I have to say again, I read a book by the retired Speaker of the House of Representatives, of the United States Congress, Mr. Thomas 'Tip' O'Neil and he said, "All politics are local. There is nothing wrong with Members trying to see that their constituents are satisfied."

I keep hearing the references, the jibs and the snide remarks, and I know they are addressed to me. I have no apologies to make for getting street lights and roads for my constituents. That is what they sent me here to do, and as long as I am here that is what I am going to do for them because Bodden Towners are the best people - not only in the Cayman Islands, but the best people in the world - and I would say that they had good wisdom when they sent Roy Bodden here because he has pledged to look after them.

There is another thing I would like to say. I keep hearing the reference to the ivory towers of academia. Well, the cap suits me and I am going to wear it! As I have said before, I have no apologies for getting a good education. I am glad that I was afforded the opportunity. I encourage every young Caymanian to aspire to that. And not only aspire to a good education, but to aspire to succeed me in sitting here and looking after the best interest of the country. I am glad to be such a role-model.

We, on this side of the House (thank heaven) are united. In spite of all the predictions, we are as strong as we ever were and by the Lord's help we will continue to remain strong, but not only that, we are popular. We are politically popular, that is why we can echo the things we are echoing because we are speaking for the people, with the people and by the people, and they told us to say that the Government has mismanaged this economy.

If there is any doubt about that... as the old Caymanians used to say: "Time will tell." When the showdown comes we are not going to be seven, we might be eight or even nine strong. We are confident that the things we said to the political directorate were correct about the path they were trying to take. Look at how we struggled to prevent an unneeded post office from being built along the Seven Mile Beach. We lost and we took our licks like gentlemen. We have debated like gentlemen and scholars, and we will continue to do that. We will continue to try to keep the Government on the right track. What we are not going to do is poke fun at the Budget Speech and at the economist whose input went into preparing that Speech because the Backbenchers see the wisdom of that. We take the lessons that are supposed to be taken from that Speech.

I have to say that if we continue to ignore our human resources at the expense of consultancies which advocate multi-million dollar projects, and at the expense of engineers who tell us that we can solve the traffic problem by putting in hundred-million-dollar superhighways, we will be selling our souls to the IMF, the World Bank, the Inter-American Development Bank, and every other lending institution. We will no longer be the prudent Caymanians in control of our destiny as we have been. It will cause our

forefathers to turn in their graves to know that we have squandered the legacy that they toiled so hard to leave us. History will not be too kind to us and our progeny will damn us.

I would like to dwell at some length on what I see as a crucial area for us to develop while we have time. I noted that the previous speaker mentioned in his conclusion that Education was allotted a significant, if not the largest, amount of money in the Budget. That is commendable. That is truly commendable, and a step in the right direction. We on this side of the House sanction that 100 per cent. I think my colleagues who preceded me mentioned that was a wise investment, but voting the money is but the beginning. What I am going to propose is to offer some suggestions on how we can spend that money wisely; how we can improve upon it; how we ascertain and ensure that we get the best value for that money by laying down an educational plan and policy that I guarantee, if followed, will yield us not only success but will get the attention of the outside world. It is something which I have deliberated over for many years, adjusted and readjusted and it is tailor-made for these Islands.

**MR. PRESIDENT:**  
to a natural point.

Perhaps we might break there. You sound as if you have come

**MR. ROY BODDEN:**

Yes, Sir. Thank you.

### **ADJOURNMENT**

**HON. THOMAS C. JEFFERSON:**  
o'clock tomorrow morning.

Mr. President, I move the adjournment of this House until 10

**MR. PRESIDENT:**  
until 10 o'clock tomorrow morning. I shall put the question. Those in favour please say Aye...Those against No.

The question is that this Honourable House do now adjourn

**AYES.**

**MR. PRESIDENT:**  
tomorrow morning at 10 o'clock.

The Ayes have it. The House is accordingly adjourned until

**AT 4:30 P.M. THE HOUSE STOOD ADJOURNED 10:00 A.M. THURSDAY, 22ND NOVEMBER, 1990.**



**THURSDAY  
22ND NOVEMBER 1990  
10:16 A.M.**

**Mr. PRESIDENT:**  
Trade.

Prayers by the Honourable Member for Tourism, Aviation and

**PRAYERS**

**HON. W. NORMAN 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 we may be enabled faithfully to perform the responsible duties of our 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 the light of His countenance upon us and give us peace now and always. Amen.

**MR. PRESIDENT:**  
Honourable Third Official Member.

The proceedings of the House are resumed. Papers the

**PRESENTATION OF PAPERS AND OF REPORTS**

**SECOND INTERIM REPORT OF  
THE SELECT COMMITTEE OF THE WHOLE HOUSE ON IMMIGRATION LEGISLATION**

**HON. J. LEMUEL HURLSTON:**

Mr. President, I beg to lay on the table of this Honourable House the Second Interim Report of the Select Committee of the Whole House on Immigration Legislation.

**MR. PRESIDENT:**

So ordered.

**HON. J. LEMUEL HURLSTON:**

Mr. President, the Select Committee on Immigration Legislation was established on 22 February 1989, pursuant to the passing of Government Motion No. 2/89. The Motion reads:

**GOVERNMENT MOTION NO. 2/89  
THE CAYMANIAN PROTECTION LAW, 1984  
(SELECT COMMITTEE)**

"WHEREAS it has been four years since the Caymanian Protection Law, 1984, was comprehensively reviewed;

AND WHEREAS the Trade and Business Licensing Law (Revised) and the Local Companies (Control) Law (Revised) are related to the Caymanian Protection Law, 1984, and should be reviewed also;

BE IT THEREFORE RESOLVED THAT this Honourable House, in accordance with Standing Orders 24(1) and 69(1), do appoint a Select Committee of the whole House to review the Caymanian Protection Law, 1984; the Trade and Business Licensing Law (Revised); and the Local Companies (Control) Law (Revised); to consider whether any amendments to the said Laws are necessary or desirable and to make recommendations as to the terms of any such amendments."

**RESIGNATION OF A MEMBER**

"Mr. Franklin Smith, having tendered his resignation as a Member of the Legislature on 1 March 1990, was replaced by Mr. G. Haig Bodden at a bi-election held in the Electoral District of Bodden Town on 30 May 1990, and sworn into the Legislature on Monday 11 June 1990.

### NOMINATION OF CHAIRMAN

"The Third Official Member was nominated as Chairman by the President."

### QUORUM

"The Quorum of the Committee was deemed to have been set at seven Members."

In accordance with provisions of Standing Order 72(1) we your Committee wish to report that we have met and are still meeting in relation to the matters referred to us and accordingly find ourselves unable to conclude our deliberations prior to the end of this 1990 Session of the Legislature.

The Committee which was established has thus far held 17 meetings commencing with a meeting on 2 August 1989, and concluding with its 17th and last meeting on 30 October 1990.

The Committee's first Interim Report for the 1989 Session was tabled in the House on 27 November 1989. The Committee's work would be inconclusive without public input and so through Government Information Services the Committee published media releases inviting persons and organisations to make written representations.

We also considered the fact that members of the public may wish to meet the Committee to make oral presentations and such invitations were also extended. The closing dates for representation was extended from 11 September 1989, to 31 October 1989. The Committee however accepted late written representations submitted during the 1990 Session.

The Interim Report contains a list of 13 papers which are before the Committee for consideration.

The Committee received a total of 20 written representations from individual members of the public - professionals, both public and private - and from organizations within the islands.

During the 1989 and 1990 Sessions of the Legislature the Committee heard oral representations from a total of 26 persons most of whom subject to written representations, requested to appear before the Committee in person and some of whom the Committee thought prudent to invite.

We wish to place on record that during the 1989 Session of the Legislature the Committee took the opportunity of meeting Mr. Allen Carter, over-seas Immigration Advisor, who was coming to the end of his three month assignment with the Government, to review the administration aspects of immigration within the islands.

We wish to place on record our grateful thanks for having had the opportunity of sharing his knowledge on Immigration matters and for discussing with us his general over-view of the Cayman Islands current Immigration situation.

All written representations and meetings with persons have enabled the Committee to canvass the over-all general view of the public's concerns regarding the current Legislation and its effects on Caymanians and foreign residence alike resulting from the rapid economic development growth since the last revision. In particular, of the Caymanian Protection Law, 1984.

The Committee is in the process of reviewing and considering various points raised by the various representations made. Possible amendments and/or revisions to the three pieces of Legislation under review will be considered for possible publication and further public reaction before the Committee reports finally to the House.

This is the Report of the Select Committee, Sir. Thank you.

### SECOND INTERIM REPORT OF THE SELECT COMMITTEE OF THE WHOLE HOUSE ON CODE OF ETHICS AND CONDUCT OF LEGISLATORS

**MR. PRESIDENT:** Papers and Reports continued, the Honourable First Official Member.

**HON. THOMAS C. JEFFERSON:** Mr. President, I beg to lay on the table of this Honourable House the Second Interim Report of the Select Committee of the Whole House on Code of Ethics and Conduct of Legislators.

**MR. PRESIDENT:** So ordered.

**HON. THOMAS C. JEFFERSON:** Mr. President, the Select Committee was created by Private Member's Motion No. 19/89 and the Motion reads as follows:

#### PRIVATE MEMBER'S MOTION NO. 19/89 SELECT COMMITTEE ON CODE OF ETHICS AND CONDUCT FOR LEGISLATORS

"WHEREAS many countries have prescribed guidelines to which legislators are requested to

conform;

AND WHEREAS there is no written code of ethics and conduct for Members of the Legislative Assembly of the Cayman Islands

AND WHEREAS it is considered desirable to establish such a written code for the preservation of the integrity of those who conduct public service;

BE IT THEREFORE RESOLVED THAT a Select Committee of the whole House be established to examine these matters and to recommend an appropriate written code of ethics and conduct for Members of this Honourable House."

The membership of the Select Committee is all the Members of this House and the President on 12 September 1989, nominated the First Official Member as the Chairman of the Committee. The quorum of the Committee is seven and we have received on the 1st of May a resignation of a Member - Mr. Franklin Smith who has been replaced by Mr. G. Haig Bodden following a bi-election in that district.

The Committee had two meetings, one on 2 November 1989, and the other on 3 October 1990, and has been to some extent overwhelmed with the amount of legislation that the Clerk has kindly collected for us from various countries - Federal and State Parliaments of the Commonwealth and of the United States as well.

We did ask for the assistance of the Legal Department to summarise these various pieces of Legislation in order for the Committee to more easily digest the various procedures in the countries under review and to relate it to some extent to what we have in the Cayman Islands.

This document has been received and is under study by the Committee. I am sure the hope of the Committee is that we can move on expeditiously now having had the necessary material to guide us in our deliberations. This is the Second Interim Report of the Committee, Mr. President.

#### SECOND INTERIM REPORT OF THE SELECT COMMITTEE OF THE WHOLE HOUSE TO REVIEW THE ELECTIONS LAW

**MR. PRESIDENT:** Thank you. Papers continuing, the Honourable Second Official Member.

**HON. RICHARD W. GROUND:** Mr. President, I beg to lay on the table of the House the Second Interim Report of the Select Committee of the Whole House to Review the Elections Law.

**MR. PRESIDENT:** So ordered.

**HON. RICHARD W. GROUND:** Mr. President, the Select Committee to review the Elections Law was established on 15 March 1989, following the passing of a Private Member's Motion Moved by the Second Elected Member for Cayman Brac and Little Cayman and Seconded by the Elected Member for East End.

The Motion called for a Committee of the Whole House to review the Elections Law and to consider the establishment of a permanent Elections Office of Government to administer the elections. The Committee was subsequently established and I was appointed as Chairman, the quorum is seven, Mr. Franklin Smith resigned and was replaced by Mr. G. Haig Bodden following the Bodden Town bi-election.

Since the Committees establishment one meeting was held in November 1989 and at that time the Committee wished to report that at the meeting it was agreed that they would defer deliberations until such time that a report from the Supervisor of Elections was available to the Committee.

I might just digress and say that although that Report has not yet been submitted to the Committee I have recently spoken to the Supervisor of Elections who tells me that a final draft is prepared and he hopes to have it to us very shortly.

Going on with the formal Report, a First Interim Report was laid on the table of the House on 4 December 1989, and now in accordance with the provisions of Standing Orders 72(1) the Committee reports that it has been unable to conclude its deliberations during the 1990 Session of the Legislature and the Committee has agreed that this be its Report for this year.

**MR. PRESIDENT:** Thank you. Reports continuing, the Honourable Member for Communications & Works.

#### FIRST INTERIM REPORT OF THE SELECT COMMITTEE TO REVIEW THE WATERSPORTS' INDUSTRY

**HON. LINFORD A. PIERSON:** Mr. President, in accordance with Standing Orders 72(1), I beg to lay on the table of this Honourable House the Interim Report of the Select Committee to Review the Watersports' Industry.

**MR. PRESIDENT:** So ordered.

**HON. LINFORD A. PIERSON:** Mr. President, the Select Committee to Review the Watersports' Industry was established on the 22 December 1989, pursuant to the passing of Private Member's Motion No. 27/89.

**ESTABLISHMENT OF A SELECT COMMITTEE  
TO REVIEW CONDITIONS EXISTING IN THE WATERSPORTS INDUSTRY**

WHEREAS the Cayman Islands are a well established dive destination; and

AND WHEREAS it is thought that it is increasingly difficult for Caymanians to enter and to survive financially in the watersports' industry;

BE IT NOW THEREFORE RESOLVED that a Select Committee of all Elected Members of this House be established for the purpose of reviewing the conditions that exist in the watersports' industry, with the objective of safe-guarding the interests of Caymanians involved in the industry, with the objective of promoting the interests of Caymanians involved in the industry."

Mr. President, in accordance with the provision of the Motion the Elected Members of the Legislature constituting the Committee were appointed. As a result, however, of the resignation of one of the Members Mr. Franklin Smith, Mr. Haig Bodden the Second Elected Member for Bodden Town, having successfully won the bi-election was appointed to replace him on 30 May 1990. Mr. Bodden was sworn in to the Legislature on Monday 11 June 1990.

In accordance with provisions of Standing Order 69(2) the President of the Legislature nominated the Honourable Linford Pierson to be the Chairman of the Committee, who, at the time of passing the Motion, was responsible for the Portfolio for Communication Works & Natural Resources.

Mr. President, your Committee wishes to report that it has thus far been unable to hold any meetings it having been agreed generally by Members that the work of the Select Committee on Immigration Legislation should take precedents. In accordance, therefore, with Standing Order 72(1) we the Committee wish to report that we were unable to submit a report to the House during the 1989 Session in view of the fact that the Motion was passed on 22 December 1989, being the last sitting of the Session.

We also wish to report that subject to the reasons mentioned in Item 5 which basically dealt with the priority given to the Immigration Legislation the Committees work remains to be considered and concluded.

Your Committee also wishes to report that in June of this year (1990) the responsibilities of the Portfolio for Communications Works & Natural Resources were officially changed. The Portfolio was accordingly renamed the Portfolio for Communication Works & Agriculture and thus the subject of this Motion before the Committee has fallen from the appointed Chairmans responsibility. The subject of review now falls under the responsibility of the newly renamed Portfolio for Education Environment Recreation & Culture. The circumstances, therefore, we your Committee seek the Chair's indulgence to reappoint a new Chairman in accordance with the provision of Standing Order 69(2).

In closing, your Committee agrees that this Report be the Interim Report of the Committee to be laid on the table of this Honourable House at the 4th Budget Meeting of the 1990 Session of the Legislative Assembly.

Thank you, Sir.

**STANDING ORDER 69 (2)  
NOMINATION OF CHAIRMAN OF SELECT COMMITTEE**

**MR. PRESIDENT:** Thank you, I think it is perhaps the moment under paragraph 8 of the Report to appoint the Honourable Member for Education as the Chairman of that Committee.  
Papers continuing the Honourable First Official Member.

**REPORT OF THE STANDING FINANCE COMMITTEE  
MEETING HELD ON 18 OCTOBER 1990.**

**HON. THOMAS C. JEFFERSON:** Mr. President, I beg to lay on the table of this House the Report of the Standing Finance Committee meeting held on 18 October 1990.

**MR. PRESIDENT:** So ordered.

**HON. THOMAS C. JEFFERSON:** Mr. President, this meeting was aired publicly so I am sure that members of the public are aware of at least some of the things I will summerise in the presentation of the Report.  
The total Supplementary Expenditure approved for 1990, is \$980,090.67. There was also a Supplementary Expenditure approval given for the insertion in the Estimates for 1991, a sum of \$72,380.88, being subscription to 60 additional shares of the Capital stock of Caribbean Development Bank, in order for the Government to maintain its current ownership position and this \$72,380.88 is payable in five installments of \$14,476.18.

A quick breakdown of the \$980,090.67 is:



- |     |  |                |
|-----|--|----------------|
| (1) | <u>HEAD 01 - GOVERNOR</u><br><u>07-045 - MISCELLANEOUS VISITS AND ENTERTAINMENT</u><br>To cover expenditure incurred in 1989<br>for which payments were made in 1990.  | CI\$ 2,096.00  |
| (2) | <u>HEAD 08 - LEGISLATURE</u><br><br>(i) <u>SUB-HEAD 01-005 - WAGES</u><br>To cover expenditure to the<br>end of 1990 for Hansard Typist<br>and other related expenses.   | CI\$ 25,000.00 |
|     | (ii) <u>SUB-HEAD 27-002 - OFFICE EQUIPMENT</u><br>Additional funds for the purchase<br>of a facsimile machine  | CI\$ 996.00    |
| (3) | <u>HEAD 15 - INTERNAL AND EXTERNAL</u><br><br>(i) <u>SUB-HEAD 07-073 - OPERATING EXPENSES - LONDON OFFICE</u><br>For over-expenditure due to<br>increased rental charges for the<br>London Office and the purchase and<br>installation of computer/word<br>processor equipment and for the<br>training of staff for use of such. | CI\$ 31,105.00 |
|     | (ii) <u>SUB-HEAD 40-001-COMPUTER EQUIPMENT</u><br>For the upgrading of computer<br>equipment in the Customs, Lands<br>and Survey Department and the<br>Management Services Unit.   | CI\$ 70,836.00 |
| (5) | <u>HEAD 18 - POLICE</u><br><u>SUB-HEAD 41-017 - POLICE BUILDINGS</u><br>For the construction of storage<br>space for exhibits/property.  | CI\$ 35,000.00 |
| (6) | <u>HEAD 19 - PRISON</u><br>(i) <u>SUB-HEAD 03-002 - CANTEEN</u><br>For the purchase of canteen<br>supplies.  | CI\$ 25,000.00 |
|     | (ii) <u>SUB-HEAD 03-022 - HORTICULTURE</u><br>For the completion of work<br>undertaken at the Prison   | CI\$ 12,000.00 |
| (7) | <u>HEAD 21 - DISTRICT ADMINISTRATION</u><br>(i) <u>SUB-HEAD 07-038 - MAINTENANCE BUILDINGS</u>   | CI\$ 45,000.00 |
|     | (ii) <u>SUB-HEAD 07-058 - MAINTENANCE SCHOOL BUILDINGS</u>   | CI\$ 16,000.00 |
|     | (iii) <u>SUB-HEAD 07-071 - MAINTENANCE ROADS</u>   | CI\$ 25,000.00 |
|     | (iv) <u>SUB-HEAD 07-072 - TRAFFIC LINES &amp; SIGNS</u>  | CI\$ 6,000.00  |
|     | (v) <u>SUB-HEAD 12-010 - VEHICLE MAINTENANCE &amp; HIRE</u>  | CI\$ 50,000.00 |
| (8) | <u>HEAD 27 - EDUCATION</u><br><br>(i) <u>SUB-HEAD 03-015 - EDUCATION SUPPLIES</u><br>For the purchase of science equip-  |                |

	ment for the Cayman Brac High School.	CI\$ 31,000.00
	(ii) <u>SUB-HEAD 27-006 - OFFICE EQUIPMENT</u> For the introduction of a computerised Student Records System between the Education Department - Administration and each school.	CI\$ 25,600.00
(9)	<u>HEAD 29 - MEDICAL HEALTH SERVICES</u>	
	(i) <u>SUB-HEAD 01-005 - WAGES</u> For the payment of salaries for the cleaning up of popular tourist sites, washing of Garbage trucks and in-house preventative vehicle maintenance.	CI\$ 105,000.00
	(ii) <u>SUB-HEAD 03-014 - DRUGS</u> For the purchase of drugs used for dialysis patients.	CI\$ 46,200.00
	(iii) <u>SUB-HEAD 03-025 - LABORATORY SUPPLIES</u> For the purchase of reagents for the Blood Gas Equipment	CI\$ 25,000.00
	(iv) <u>SUB-HEAD 03-029 - MEDICAL HEALTH SUPPLIES</u> For the establishment of the infectious waste collection and disposal system.	CI\$ 12,000.00
	(v) <u>SUB-HEAD 07-047 - OVERSEAS LABORATORY</u> For the use of the Cleveland Clinic for reference of all histology.	CI\$ 25,000.00
	(vi) <u>SUB-HEAD 07-052 - HEALTH - SPECIAL PROJECTS</u> For the cost of printing booklets and T-shirts related to environmental projects during 1990.	CI\$ 7,000.00
	(vii) <u>SUB-HEAD 27-008 - PUBLIC HEALTH EQUIPMENT</u> For the purchase of 10 additional compact containers.	CI\$ 45,000.00
(viii)	<u>40-009 - MEDICAL EQUIPMENT</u> For the purchase of medical equipment for Health Services at Northward Prison.	CI\$ 6,440.00
	(ix) <u>SUB-HEAD 41-026 - LANDFILL OPERATIONS</u> To provide electrical power and water at the sanitary landfill to facilitate the washing of garbage trucks and preparation of site for the medical waste incinerator.	CI\$ 17,000.00
(10)	<u>HEAD 31 - COMMUNICATIONS, WORKS AND AGRICULTURE</u> <u>SUB-HEAD 27 - 006 - OFFICE EQUIPMENT</u> For the refund of Customs Duty paid on office equipment for a Government Department.	CI\$ 3,373.00
(11)	<u>HEAD 32 - AGRICULTURE SUPPLIES</u> <u>SUB-HEAD 03-001 - AGRICULTURAL SUPPLIES</u> For the purchase of essential supplies and materials in demand by the farming community.	CI\$ 110,000.00

(12) <u>HEAD 33 - M.R.C.U.</u>	
<u>SUB-HEAD 03-024 - INSECTICIDES</u>	
For the purchase of insecticides for the control and/or eradication of the mosquito population.	CI\$ 135,000.00
(13) <u>CAPITAL EXPENDITURE</u>	
<u>SUB-HEAD 41-020- PURCHASE OF PROPERTY</u>	
For the purchase of property at Bodden Town Block 44B Parcel 300 known as Guard House.	CI\$ 10,750.00
(14) <u>CLAIM FOR COMPENSATION - MR. STANLEY CLARKE</u>	
<u>- GEORGE TOWN CENTRAL - BLOCK 14C PARCEL 72</u>	
Compensation to Mr. Stanley Clarke based on additional cost, loss of rental income and delays incurred because of the MGTP.	CI\$ 13,374.67
(15) <u>HEAD 28 - HEALTH AND SOCIAL SERVICES</u>	
<u>SUB-HEAD 02-002 - CONFERENCES AND SEMINARS</u>	
To defray costs incurred for the Drug Conference for the British Dependent Territories.	CI\$ 18,320.00 -----

#### COMMUNICATION BUNKER

There were other variations of funds namely the Communication Bunker at Northward. Approval was given for the transfer of \$17,271 of the \$205,600 approved for the Communication Bunker at Northward to be used for the communication room at the Fire Station at Owens Roberts Airport.

#### CAYMAN BRAC DAY CARE CENTRE

For Cayman Brac Day Care Centre approval was given for the transfer of \$5,000 from Head 28 - Health and Social Services Sub-head 08-003 Support Grants, to be made available to assist the Cayman Brac Day Care Centre.

#### FEES CONSULTANCY

Blocking of funds under Sub-head 07-004 Fees Consultancy for the Department of Health and Social Services and allowing expenditure for under Head 29 which is the Medical Health Services.

#### LEASE AND LOAN

Other matters was the extension of Lease and Loan in respect of the Cayman Preparatory School where the Committee approved the granting of a 50 year lease to the Cayman United Church Cooperation in respect of the property lease for use by the Cayman Preparatory School at a peppercorn rate and a loan of \$250,000 at the rate of 7.5 per cent per annum payable over 15 years with a five year moratorium.

#### SUB-POST OFFICE

Lastly the removing of condition on the proposed in the West Shore Centre on the West Bay Road. The Committee by a majority agreed that the condition placed on the Sub-post office in George Town that it be placed no further north than Merren shopping complex be removed.

Thank you, Mr. President.

**MR. PRESIDENT:**  
Health and Social Services.

Thank you. Reports continuing, the Honourable Member for

**HON. D. EZZARD MILLER:**  
Corporation Law, I beg to lay the Report of the Housing Development Corporation for the year ended 30 June 1990, on the table.

Mr. President, in accordance with the Housing Development Corporation Law, I beg to lay the Report of the Housing Development Corporation for the year ended 30 June 1990, on the table.

**MR. PRESIDENT:**

So ordered.

**REPORT OF THE HOUSING DEVELOPMENT CORPORATION FOR THE YEAR ENDED 30 JUNE 1990****HON. D. EZZARD MILLER:**

Mr. President, I am pleased to be presenting the Annual Report and Financial Statements of the Housing Development Corporation for the year ended 30 June 1990, which the accounts have been certified by the Auditor General on 6 November 1990. A surplus of \$79,947 was realised on the Corporation's operations during the year under review. An increase of 34.8 per cent over the \$59,294 realised the previous year.

Accumulated surplus at the end of the period stood at \$126,660. An amount of \$94,076 was appropriated from this surplus to the Corporation's Sinking Fund Reserve in order to provide for the retirement of its debentures. The amount of \$200,000 which was advanced to the Corporation by the Cayman Islands Government in October 1988, in order to assist the meeting of the Corporation's working capital requirements, was repaid in full on 11 October 1989.

While the Corporation ended the period under review with some CI\$1.19 million in cash, cash equivalents and short term deposits, this healthy liquid resource position cannot be sustained in the absence of an injection of new capital into the Corporation. Subscribers to the 7.5 per cent 20 year Debenture offering that was launched by the Corporation in April 1989, amounted to US\$1.9 million by the end of June 1989. However, since then, only US\$150,000 has been raised. This clearly indicates that the initial interest in the offering has tapered off.

One of the tasks that I am setting the Board for in the current fiscal year is to move aggressively towards the attainment of the offering's original target of US\$5 million. While I expect the Corporation to do everything in its power to attract further subscriptions to the Debenture offering I am very mindful of the fact that the Corporation has to compete in the open market for investable capital. Investors who subscribe to the Corporation's Debenture also have the option of investing in other securities. Naturally they will put their money where they get the best returns.

The fall-off in subscription could to a greater or lesser extent be due to the fact that the market does not find the return of the Debentures sufficiently attractive. In order to compete in this market place, the Corporation will be forced to offer its Debentures at more attractive rates. But in so doing the Corporation's funds will be pushed outside the reach of the low to middle income borrowers. It is therefore not entirely fair that the Corporation should be expected to raise capital at market rates and then lend this capital to low and middle income borrowers below market rates. That is - ranging from nine to 11 per cent. This is a contradiction that needs to be resolved.

Apart from the start-up capital of CI\$137,000 that was injected into the Corporation by Government, the Corporation has received no further capital injection from Government. There is no way that the Corporation can continue to lend its funds below market rates in the absence of an injection of equity capital by Government. Such an injection would have two principle beneficial effects.

One, is that it would increase the pool of lendable funds available to the Corporation and two, that it would put the Corporation in a position to be able to lend its funds below market rates by virtue of being able to mix equity capital with capital raised from its debentures.

The contradiction that is evident in the capitalisation of the Housing Development Corporation is a reflection of the contradiction in public attitude towards low to middle income housing developments. We claim to subscribe a high priority to the development of low to middle income housing for Caymanians, but this high priority is not reflected in the funding made available for this kind of development. If we as Legislators are serious about the high priority that we ascribed to the development of housing for low to middle income Caymanians, we should be more than happy to vote the funds needed for this purpose.

As the Member responsible I propose to recommend that an amount of at least CI \$200,000 per annum be injected as equity capital into the Corporation from the years 1992 to 1996. Government could also demonstrate the seriousness of its commitment to the development of housing for low to middle income Caymanians by investing in the Corporation's Debentures through its various agencies that maintain assets in local investment instruments.

There are agencies of Government that invest sizeable amounts of money in local certificates of deposit and other instruments to the extent that the Housing Development Corporation Debentures are backed by a Government guarantee. The agencies would be assured of virtually risk free return on their money. No other local financial institution is capable of providing this degree of assurance.

Quite apart from providing a virtually risk free investment vehicle to these agencies their subscribing to the Corporation's Debentures would demonstrate for private investors that Government is not asking them to do as they say, without doing as they do. The commitment of Government to the development of housing for low to middle income Caymanians would then be clear and unmistakable.

Since the inception in 1984, the Corporation has approved a total of 69 loans amounting to CI\$2.62 million. For the year under review, a total of 17 loans were approved amounting to CI\$635,300. As a result of the recent revision in the operating guidelines of the Corporation and certain initiatives which are being taken to expand the reach of its loans to a wider segment of the low to middle income housing market, I confidently expect the Corporation to increase its lending activities during the current fiscal period and beyond.

The Corporation has committed itself in principle to providing mortgage financing to qualified purchasers in a pilot seven unit town-house project in the George Town area. This development is to be undertaken as part of an initiative being pursued by the Corporation to finance low to middle income housing projects in joint ventures with private developers who will be responsible for constructing the units on their own property and marketing them.

The concept behind this initiative is to allow each partner in the venture to do what it is best equipped to do. To be more specific the Corporation has no expertise in designing and constructing homes. This is an area in which private developers have over the years developed considerable expertise.

However, whereas these developers might possess the expertise in designing and constructing houses they are often stymied in their effort by the lack of long-term financing available to prospective purchasers. The area of long-term financing is one in which the Housing Development Corporation has the wherewithal to provide this missing link. By virtue of combining the strengths of private developers with those of the Housing Development Corporation the interest of prospective low to middle income home owners will be better served.

While the Corporation was set up to operate along commercial lines it is also seeking to play a role in providing shelter for the less fortunate in our society. To this end the Corporation has embarked on a joint venture with the Social Services Department to construct a four-plex unit on Government property in the George Town area to provide temporary shelter for the indigent.

The project is now at the design stage and here I would like to publicly thank Mr. Arek Joseph for providing the designs and quantity surveying for this unit free of charge. Tenders for construction will be invited from qualified local contractors within a month or two. The cost of construction will be financed with the Housing Development Corporation as it would any other project with the Social Services Department assuming the role of mortgagor. All questions to do with the use and occupation of the four-plex will be decided by the Social Services Department.

In seeking to improve the effectiveness with which it discharges its functions the Corporation has commissioned the Statistics Units of Government to conduct a housing demand survey. I expect the results of this survey to provide much needed information to guide the Board in formulating policies that will serve to improve and expand the delivery of service to prospective low to middle income borrowers. This survey report should be available in print by the end of this year.

To sum up, the accomplishments of the Corporation during the year under review have been credible in both operational and financial terms. However, in order to sustain and improve on this performance, new capital injections are required by Government. Tangible demonstration of the commitment of Legislatures to the development of low to middle income housing is also required, together with creative initiatives aimed at extending the reach of the Corporations services to a wider segment of low to middle income markets. I have no doubt that with your support and that of the Corporations Board, Management and staff, the institution will register greater accomplishments during the current fiscal year and beyond.

I would just like to add a word of thanks to the staff of the Housing Development Corporation and the Chairman of the Board, Mr. Danny Scott, and the members of the Board for their hard work during the year.

Thank you.

## **QUESTIONS TO HONOURABLE MEMBERS SUSPENSION OF STANDING ORDER 23(7) AND (8)**

**HON. THOMAS C. JEFFERSON:**

Mr. President, in accordance with Standing Order 83, I move the suspension of Standing Order 23(7) & (8) to allow the question set down in today's Order Paper to be asked and answered.

**QUESTION PUT: AGREED.**

**THAT STANDING ORDER 23(7) AND (8) BE SUSPENDED TO  
ENABLE THE QUESTIONS ON THE ORDER PAPER TO BE  
TAKEN.**

**MR. PRESIDENT:**

Has the Second Elected Member for Cayman Brac and Little Cayman asked any other Member to put his questions? They can always go forward to tomorrow. I think we will go on to item four.

## **GOVERNMENT BUSINESS**

### **BILLS**

#### **SECOND READING**

#### **THE APPROPRIATION (1991) BILL, 1990**

(Continuation of debate thereon)

**MR. PRESIDENT:**

The First Elected Member for Bodden Town, continuing.

**MR. ROY BODDEN:**

Thank you, Mr. President.

In what I consider a radical departure from my usual style, I am going to try to speak with the aid of some notes. I say that because I believe that not being accustomed to that, it

will make a difference in the speed at which I proceed and there may also be some pauses which might be a little unnerving to Honourable Members listening.

When we concluded yesterday afternoon, I had suggested that we were measuring our progress on a faulty report card. A number of significant factors bears this out. The first of which I would have to say is the absence of any data on a national literacy rate. Every civilised country in the world has statistics which show the level of literacy among the populace and residence in that country. We in the Cayman Islands have no such data.

In the second instance there are no clear educational priorities and quite coincidentally, I picked up a copy of this month's *Newstar* magazine on my way to Parliament this morning. On the front page is a picture of our CEO and a caption, 'Education, the Local Swing'. A cursory reading has lead me to re-enforce that at least prior to the recent consultancies report there were no clear educational priorities, but I am going to come to this article a little later.

Now, regarding the questions which were asked by this Member and the supplementary questions which were asked by my Backbench colleagues concerning suspensions in school. I have something to say about that which is important in my debate and important in the educational direction which we are taking in this country. But I want to set the tone for that by saying that Caymanian society is becoming as much influenced and effected by radio and television as it is by reading and writing and the Caymanian people will need to be taught to use these mass media technics in new and creative ways. We must ensure that these products of ingenuity are used in much less trivial ways than they are presently.

For example, I am not satisfied with some of the programmes I hear on Radio Cayman. I term them a proliferation of material culled from over-seas. Similarly, I notice with increasing dismay, the Caymanian Compass especially in the week-end edition, extensively publishes the American television network schedule and is loaded with all kinds of foreign and irrelevant material.

I hope that my criticisms be accepted in a constructive manner and I would not hope that it goes to the extent where my statements are taken out of context and I am castigated in an editorial page. But I believe that the mass media have a responsibility to aid in the development and the education of our country and our populace by trying to be a little more creative and exercising a little more ingenuity and researching.

Caymanian society is loaded with people who can tell them tales of long ago, who can give them recipes, who can give them adventures, and who can give them interesting stories in addition to all of the current events, including the bad news that we hear about every day. I would like to see less of this what Martin Carnoi calls, 'culture imperialism' and more material which is relative to our Caymanian society.

Coming back now to the strictly educational. Over the years nothing but lip service has been paid to the development of technical and vocational education. I think it is time for us now to be exercising a commitment to the development of these areas so that we can arrive at a mandate rather than a series of pious asperations and political promises. I do not think that we necessarily have to wait until the full development of the Community College.

I believe it was the late Honourable Jim Bodden who some years ago started the Hotel Training School and the Marine Training School. Well I can understand that the necessity for the Marine Training School can wane after a while, but certainly the Hotel Training School is still very relevant.

This is a curse on politicians and no-one is entirely free from this. What usually happens is that successive political directorates, whether through jealousy or through misinformation or a desire to seek all the glory for themselves, have tendencies to put-down and do away with potential constructive developments laid by previous political directorates. It is safe to say that the Hotel Training School fell prey to this kind of thing. There is no reason why we should not have a training facility here to train our waiters, bus-boys, waitresses, housekeepers and so on.

It is something which could be developed jointly between the Portfolio of Tourism and the Portfolio of Education. I notice that many countries in the Caribbean have such a development, and that is the direction they are taking. If we had built on the foundations laid, we could have perhaps have had by this time a fledgling Technical and Vocational School. I repeat it is time for us to shed these pious asperations and to move towards putting our commitments into action.

Because of this, I would say that schooling in the Government system in the Cayman Islands is much like Bernard Shaw's celebrated liaison with Mrs. Patrick Campbell - a source of convenience rather than a source of satisfaction. We as a nation are suffering because of that. But the responsibility lies not only with the Government, because the statistics read out on the number of children who are suspended. . . some of that responsibility must be borne by the parents. So to be successful, what I am saying is that we have to have a closer liaison. The system must be one of a marriage between the school and the home - the parents and the teachers - otherwise it cannot work, it cannot be successful. Government it seems has a responsibility for an establishment of schools which promote formal learning and the schools must now take on many of the social responsibilities which can no longer be handled by parents. So that the school becomes what we call in the profession *in loco parentis* - the school takes the place of the parents for many hours of the day. This is so because of the economic necessity of both parents to work, to provide a living in modern Caymanian society. Our Education system has to be one where the standards are accepted and understood by all. It must be one that the parents know what the school is about, the students know what the school is about and the teachers are committed to that philosophy.

I am alarmed when I think of the things that are destroying us, a young country. Narcotic drugs, alcohol abuse, gambling, recreational sex, and what I term the worse pornography

of all - lives devoted to buying things. Accumulation as a philosophy of life. Imagine - we are caught up on a treadmill, a tread that Adlai Stevenson called the revolution of rising expectations. Placing our priorities on the wrong things. Schooling and the educational process must try to reverse this. It is incumbent upon us to do that. Too many of our children are dependent, passive and timid. Too many of our children, I want to emphasise this, are dependent, passive and timid in the face of challenges.

This might seem illogical, but as a professional, I am saying that it is this timidity which is masked by a surface bravado and aggressiveness. Many of the reasons for this behavior is frustration at not being able to achieve. It is because the objectives are too lofty. I wonder why in our system have we got to employ wardens to ride shot-gun on school buses? I had the experience of teaching at a school of 3,000 high school students. It was on the out-skirts of the city and while it is true that many of the children came from the rural areas, I would like to say that is still my model school. We had no such problems at all in all of the time I was at that school.

Certainly our children in Cayman are no different. Why can we not then have children who can ride the buses without the presence of wardens? When we went to school, we were bussed in from Bodden Town to George Town and the Second Elected Member for Cayman Brac, can bear me out, we were all adults. We had no problems, and yet we did the usual things that normal teen-age school boys did. We had fisticuffs, but I tell you what, we did not bring any flare guns to school, we did not have any threatening weapons and certainly in those days, I might say, I was fortunate because drugs as we know them now were not persistent. It was unthinkable to have 10 year-olds in our system being suspended because the teachers could not cope with their disruptive behaviour.

Is this a failure of our schools? Is this a failure of our homes? Is this a failure of our society? Or is it a failure of all three? I am saying again, to compound this kind of pathological behaviour, we have television and believe you me, that is the ruination of our society. I am not advocating that some good cannot come from television. I am saying as a professional educator, that children watching television should be strictly supervised. I remember reading a book authored by Albert Comstock entitled, *How Television Influences Human Behaviour*.

It is a revelation, unsupervised children and teenagers watching television is like giving them a shot-gun and a lap full of bullets. It is a weapon and I am saying that some of this frustration that our children are experiencing can manifest itself from the violence and aggression these children see on television. But enough of that.

What can we do to implement a better system? Here is my suggestion. Here is my model. I am not saying it is a panacea, I am saying it is a viable alternative and it can work. First of all, we need a stimulating national debate on education. The kind of continuous emphasis that journalism finds boring. We need to argue, we need to talk; we need to plan until we are satisfied that we have a relevant manageable, workable and financially prudent educational development plan.

I would suggest that we set up what I call the National Advisory Council on Education. Not a council to replace the Education Council, a council made up of representatives from the private sector, the Chamber of Commerce, the Bankers Association, the Society of Accountants, people from those kinds of fields, to tell us what they see as important skills and knowledge that our children should be able to master at the end of high-school.

Let me preface any further debate by saying that I am a proponent of what is called Mastery Learning. I will take a minute to explain what that is, Sir. It is a system based not so much on the examination results, but on proficiency in a skill. A student is not allowed to progress until he or she is satisfied that he has reached a level of mastering the skill that he or she is satisfied with. That means that some students who are interested, can achieve at 16 what others may take two additional years to achieve. It is a system developed by a Professor of Education called Benjamin S. Bloome and it is very popular in the United States and Canada and it is now being practised in Europe and the Orient. That is the system and it is especially designed, not for the academic, it is equally applicable to vocational fields and that is what we should aim at.

I suggested that we should extend our school age to 18, and I am not satisfied with the one year extension. I am even more dissatisfied with the thought of doing away with the Middle School and later on I will try to show the ill-logic in that proposed move. What I am calling for is a reform of our Educational System. A reform that just now, the managers and the educational planners are agreeing we need. I saw that a long time ago, I saw the winds changing a long time ago, I saw that there was a need for us to change. A need for us to move in a different direction.

**MR. PRESIDENT:**

Should we take the break there and perhaps the microphone could be looked at during the break. Suspended for 15 minutes.

**AT 11:22 A.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 11:52 A.M.**

**MR. PRESIDENT:**

Proceedings are resumed. The First Elected Member for Bodden Town, continuing.

**MR. ROY BODDEN:**

Thank you kindly, Mr. President. Prior to us taking the break, I was arguing that genuine reform of the Cayman Islands educational system is important if we are to improve on the results and get the best value for money. I said that perhaps we should seek to establish a national curriculum and in doing that we should set up what I have called National Advisory Council on Education and I outlined how I thought that council could be comprised.

We need to rethink the fundamental premises in education and we need to ascertain and come to a common understanding of what is it we think all children in Caymanian society should learn. Why we think they should learn those things and to what extent we would require them to master the skills or knowledge in these areas.

I believe that we have for too long tried to impose objectives downwards from a lofty command centre made up of specialists, administrators, peripatetic teachers, consultants, etcetera, without enough input from the teachers or in some cases from the learners themselves. We have set up this central elite of social engineers which has passed down the commands, but it has not worked and it is time to examine the system. It is time now for a new orientation.

Of course we can control lives, we can control children when we do this kind of thing. But they fight back with weapons of social pathology and we see evidence of that in the numbers of children who had to be suspended. Aggressive behaviour, violence, drugs, self-destruction and the indifference to the system.

In a country where over \$15 million is spent on education, we can and must get better value for money. We must get better results and I would like to draw Honourable Members attention to page 29 in the Honourable Financial Secretary's Budget Speech: "Of the 15,846 workers in the labour force, a total of 14,859 was employed or held jobs, and 987 reported that they were unemployed or were available for work and seeking work, but were unable to find the jobs they wanted. This would mean an overall jobless rate of 6.2% in 1989." What I find as a stark revelation is this. On page 30: "...among the 15 to 19 year-olds - those who had just left school and had entered the labour force for the first time - 21 per cent reported that they were looking for jobs, but could not find the jobs they wanted."

Now, that could be interpreted in a number of ways. It could mean that there were jobs out there for which those seeking the jobs had no skills. It could mean that there were jobs out there but those seeking the jobs did not care to take those jobs because they were either below their expectations or they were above their expectations or whatever. But I am saying that if our system is working the way it should work, we should not have such a high percentage of unemployment among the young. And we should also note that this 15 to 19 year-old age group - this is the core of our future and if we are going to have these kinds of statistics, then we are not doing something right.

A few years ago, I was asked to present a paper at one of the large universities in up-state New York and the people who asked me to present the paper gave me freedom but they specified that they wanted it on some aspect of education and development in Caymanian society because it was a programme which was geared largely to people like myself from developing countries. I chose to present the paper on education and development in Caymanian society.

In that paper I said that in a system where predominantly one type of educated man-power outstrips the job opportunities, that this discrepancy causes serious employment problems. It was such an occurrence which prompted Rene Dumont in 1966 to give a seemingly paradoxical title to one of the chapters of his book, *False Start in Africa*. The chapter is entitled, 'If Your Sister Goes to School, Your Next Meal will be Your Fountain Pen'. Any increasingly massive output of white collar personnel in developing countries will have adverse effects on economic development. In the first instance it means that limited resources are siphoned off from other sectors of the economy - construction, farming, manufacturing, cottage industries etcetera - towards office work.

This is exactly what is happening in the Cayman Islands. Why we have to import so much of our unskilled, semi-skilled and professional labour, in the terms of electricians, plumbers, masons etcetera. I said that these people who are predominantly educated for what we call the 'elite' professions, when they are unsuccessful in finding jobs in the white collar sector become for many reasons physiologically unfit for work in the more traditional sectors. They believe that they are educated above that level and they refuse to be waiters, waitresses and housekeepers etcetera. This is exactly the point we have reached in Caymanian education now.

If one would visit some of the more up-scale restaurants, one would find that more than 80 per cent of the people who wait on tables - the maitre d's, etcetera - are imported from Europe, Austria, Switzerland, Germany and France. I visited one these establishments in the recent past with a colleague from Mexico. He was astounded and asked me how is it that the Government and people of the Cayman Islands allow such a situation to persist, and why we do not have schools and facilities for training waiters and waitresses. That is why I suggested that we can tackle this problem by an amalgamation of ideas in the various Portfolios - Tourism and Education, in this instance.

We need to rethink this if we are going to obtain the best value for money. Over, we could say, \$19 million and yet we do not have facilities and scope for training people properly in the fields of auto-mechanics, refrigeration, air-conditioning, electrical work, masonry, carpentry, and small engine repairs. I would like to suggest that we could look at models and one to me which offers a striking attraction is that which was developed and utilised by the ruling classes of Europe for thousands of years. At the core of this system is the belief that self knowledge is the only basis of true knowledge.

Everywhere in the system at every age we will find arrangements that work to place the child alone in a situation with minimum supervision so that that child can solve problems. Not only solve the problems, but in the solution of those problems can develop a self-confidence and a self-esteem which I claim is lacking in many of our students because we are not given that opportunity to develop our problem solving abilities to the optimum level. Also because it is a fundamental failure of many of our home systems.

Everywhere in the European System you will find arrangements that work to place the child in these kinds of situations. Learning to control a horse for example when it is galloping.



Can you imagine placing a child on a horse when that child discovers that that horse will obey the commands he or she gives? A tug on the rein means halt; a slackening of the rein means a gallop. Can you imagine the self-confidence that instills in that child at the discovery that they can do that?

To site a more complex example. Can you imagine the self-confidence a child will receive when they realise that they can dismantle an engine completely, clean it, place it back together and at the twitch of the ignition key, that engine purrs into life. That child can never be put-down again once they have made that kind of achievement.

But, it is no small wonder that our system cannot work because I notice at the establishment where I work, the children who come on work experience have absolutely no supervision and they come unequipped and unprepared. No coveralls, no protective eye wear, no ear plugs, no supervision. It is amazing, an intolerable situation. Often I call the youngsters in and talk with them. None of us are given any curriculum or any expectations to have of the children. It seems to me that they are dropped off there with the expectation that they may never be seen or heard from again. I tell you what, if I were in charge of Education, that would be a policy that would not be good enough for me.

While there are some merits in the work experience programme and while establishments like the one for which I work are glad to be able to give something back to help the students, it cannot achieve optimum results because of these failures. When new children come, they should be accompanied by someone from the school who is from the programme. We should be given some idea of what to expect and the number of hours the children will be there. If we do not take care to supervise them properly and to protect them, heaven knows what could happen. Sometimes to tell the truth, I am fearful because I do not know whose liability it will be if any of those children get hurt. That is a situation which should not be allowed to exist.

I wonder if the Honourable Member knows that these kind of things are happening? Or is it because these children are not the academic elite that nobody cares for them? That they are supposed to disappear, in the words of the old Bodden Town man. These are the people who should be filling all the positions now that I read about, with the work permit statistics plugging up the Protection Board, because auto-mechanics and people in those skilled trades make a lot of money. I might go on to say that there is potential in these youngsters because many firms employ these students when they leave school.

Spending over \$19 million on education also leads me to say that schooling needs to stop being a parasite on the working community. Of all the pages in our human ledger only our tortured entry in the Cayman Islands, warehouses students until they reach 16 and asks little or nothing of them in terms of community service and service in the society.

We have a Work Experience Programme which is a start, let us move to formalise it. This Honourable House accepted the Apprenticeship Motion. Let us now put it into place and if the Government needs help in implementing it, I will be glad to suggest to them how it can be done.

The ideal model I am saying is that a student stays in the formal high school until he or she reaches the age of 16, at which time, those in the academic stream prepare themselves for university, two years hence. Those in the technical and vocational stream pass out and are apprenticed. They spend two years apprenticeship, leaving when they are 18 to take up full-time paid employment. While they are on apprenticeship they will receive partial pay and they are still under the supervision of the high school authorities and they should be required to take one day per week of formal classes, preferably in English and Mathematics and communication skills. The remaining four days will be spent in theory and practice of their chosen vocation.

My model is the SKF Ballbearing Factory in Sweden and other such schools in West Germany. These models are now being copied by Great Britain who is drifting away from its traditional elite mode of education. These kinds of experiences in addition to providing learning opportunities in their chosen vocations will provide responsibility training for the students in the main stream of life. I always like to echo the words of a former principal of mine and the Second Elected Member for Cayman Brac, who used to talk about the dignity of labour. That is what these kinds of experiences will instill in the young people, that there is dignity in labour as long as it is done honestly.

I remember an experience that I had while on a technical scholarship in Japan in 1984. We went into a restaurant and there were eight of us in the group. When we left, some members of the group left a tip at the table. When we reached the door, had paid the cashier and were in the process of leaving, the manager of the restaurant flagged us down and said, 'Gentlemen, someone from your group has left some money on the table'. The guys who left the money said, 'No, it was not a mistake'. 'We left it for a tip'. The manager then went on to explain to us, 'I am sorry, we cannot accept this, because in Japan that is not a custom'. The waiters here believe that they are well paid and their jobs are just as important as mine, the managers or as the bank managers, or whatever, and we do not feel it necessary to be tipped.' I am not advocating that we restrain from tipping in the Cayman Islands, but say that those people feel that they are doing a job from which they derive happiness and pleasure. They are satisfied with their pay and to accept a tip would mean that we feel sorry for them because we think that they are less than we are.

The dignity of labour and I notice something else in the dignity of labour too. Mr. Owen, used to talk about it, especially in the professions. We were always taught to dress properly as teachers. That was instilled in us from day one and you dared not attend a class without your tie and certainly you would never think of going off the campus of the micro-college to teach a class without you being properly dressed. Because, our profession is the greatest profession of all.

That too is sadly lacking in the system. I am speaking from experience. When I taught at the school, I was the only male teacher who wore a tie and they used to ask me if I thought I was a fashion model? I said, 'No, I am only reflecting what I think of my profession and my position as a teacher'. 'Because I would feel insulted if somebody came up to me and asked me where he could find a male teacher, mistaking me for the janitor'. I believe that we can also improve our system of education and achieve value

for money by shedding some of the responsibilities which the Government has now assumed. Responsibilities such as that of procuring textbooks.

Sometime ago, I spoke to the Honourable Member, relaying some complaints I had received from my constituents along this regard. They said frequently their children were unable to get textbooks and even when the textbooks were available, the children were not allowed to take them home. Now this is at the primary level. Years ago the Government did not do that. The Government is not supposed to be in the textbook procuring business. Government's responsibility is to see that the schools are equipped with teachers, desks, other teaching material and probably reference material. But basic textbooks needed day to day - the Government should get out of that.

When I was in the profession that was always handled by private tender and it worked well. There was absolutely no expense on the Government. It is a system which is not only unworkable, it is unreasonable and the Government should shed it as quickly as it can. In addition to the development of a sound technical and vocational education, I would like to see the Government spending some of this money on a variety of examinations so that our students, if they so desire, can equip themselves to the optimum level. I suggested in an interview in *The New Caymanian* that we develop some kind of national exam and I note with interest that the consultant in the interim report is calling for a national curriculum.

The reason why I do not think it is wise to do away with the Middle School is this. The Middle School should serve as a foundation, a stepping stone to the Senior High School. Therefore, it strikes me as being logical that the High School curriculum should ideally begin with students in the Middle School. So it should be a continuous five year programme which is started from the Middle School, continued to the three or four years in High School. If we do away with the Middle School we are courting disaster and I am wondering if it is not a political move?

When we are dealing with the future of a nation we cannot afford to experiment because it is not like a motor car engine, if you break the block you can buy another block. You are ruining a future leader, a future doctor, or lawyer or Parliamentarian or Speaker of the House. We cannot afford these kind of experiments and the people who persist in them are doomed.

I would hope that this is not one of those cases where the report is designed to meet the expectations of the politician. I would hope that this is a case where the report genuinely reflects the findings of the consultant and I look forward to seeing its comments regarding the development of technical and vocational education.

I want to say now that there are sources to be tapped in the development of our education. Sources that I would suggest the Government at some stage try to investigate because it will not cost us any additional financial burden. Many countries give technical aid to developing countries like the Cayman Islands. Indeed, when I went to Japan, that is what I went on. A technical scholarship which was given in part by the Japanese Government. Where I stayed there were 500 such people whose passages were paid, whose tuition was paid and who in addition to that received an allowance. I might say that these scholarships are not only limited to people working in Japanese based industries, but they are given to any recipients who can find themselves gainfully occupied when they return to their host country.

I met students from Mexico, Malaysia, Jamaica, Trinidad doing any number of things. Studying surveying, architecture, studying to be electricians, dental technicians, all of these kinds of things. But we will not get anything by just sitting in a corner and not seeking and not trying to explore avenues and not finding out where we can get this kind of help.

Let me say in winding up this section again, the future economic prosperity in the Cayman Islands depends upon a closer relationship between school, work, home and the Caymanian society. It is a challenge, but it is not a challenge beyond our means and it is not a challenge beyond our ability.

However, if we play politics with education, if we get up and talk about those people from the hallowed halls of academia or if we get up and talk about abolishing the Middle School because it was done under another political directorate or if we get up and talk about the First Elected Member for Bodden Town - his arrogance personified - that will not help us solve the educational problems of the future Cayman Islands.

I am calling for a fresh perspective and I hope I am not disappointed. I say that we have a lot to learn from the developed countries of Europe and also from some developing countries. It is incumbent upon us to see if we can harness all of these ideas. I have to say again that I am ready, I am willing, and able to serve to the best of my ability in any capacity with which I am entrusted. I might not be able to give 100 per cent all of the time, because I, like many other politicians have other commitments, constituency and otherwise. But one can rest assured that I will try. I am not seeking any glory, I am not seeking any fame, I am only seeking a better Cayman.

The last thing I want to address on this issue is what I call the Pygmalian effect. How teacher expectations influence the performance of our students. It is a known fact in education that if the teachers expectation of the students is not of a high level, the students will not achieve a high level. If the students are perpetually and continuously put down, they will feel that they are worthless. I wonder to what extent this happens in our society.

As I look on these statistics concerning the suspensions, I wonder if this is not part of the problem because it is impossible, virtually impossible out of a population of less than 2,000 students for 173 to develop serious pathological behaviour as was reflected in this answer.

If that is genuinely the case that we have 173 children exhibiting this serious pathological behaviour of their own volition, then we are indeed in a bad state. But I cannot accept that. I am calling on the Honourable Member to pay attention to this and to check these things out beginning from the diet of the students, because it is a known fact in education that when students have a diet strictly confined to junk

foods - potatoes chips, corn chips, pepsi-colas - the behaviour becomes predominantly hyperactive and it manifests itself in aggressive disruptive behaviour.

Elemental educational psychology, Mr. President. These are the things we should look at. These are the things that it is not good enough to be able to read these over the air in answer to a question and think that that is the end of it. My conscience will not allow me to let the Member get away as easily as that. I am expecting that something will be done and it is not good enough to have 10 and 11 year-olds suspended from school. School is where they should be until they have reached that age where the Law says the Government is no longer responsible for their up-keep. But, I am not blaming all on the Government. I am saying as I have always said, that parents and guardians have a responsibility as well. The school and the Government can only do so much, but the parents and guardians must not attempt to shovel their problems on the Government. It has to be a partnership where school and Government is working together. So it is a challenge for the Government to get parents involved through Parent Teacher Associations.

I would be happy to see also a resuscitation of the Teacher Association, to give teachers a forum for socialising and for commonly meeting and discussing professional problems. These kinds of things are absolutely necessary and when we get in the realm where we are spending \$19 million, these are the kinds of facilities that we should try to develop.

The future is ours, but it is only ours as long as we have the infrastructure in place to train and educate future Caymanians. I am reminded of my own position here, that I am just a caretaker allowed to occupy this seat by my constituents. It is incumbent upon me as much as it is anyone else to see that my successor when he or she takes their seat here is no less endowed, no less educated, no less articulate than I am. Because if that is not the case Cayman, as we know it now, cannot continue to function at the level at which it is functioning. I would like to say that one of the greatest challenges we have is to develop a sensible education system. One where we are getting the best value for money.

In conclusion, let me say that there are reasons to be concerned about the finances of this country. There are reasons to be concerned about the needs and wishes of my constituents.

I have served notice upon the Government of a Motion that I will be bringing in the February sitting, *Deo volente*, concerning a request to ask the Government to look at the Fences Law. Other things need to be addressed as well. I will be working to see if I can achieve for my constituents some of the outstanding needs that they have outlined. The back roads and the launching ramps. I appreciate that the Government is not in an ideal financial position now, nevertheless, the needs of our constituents have to be addressed.

I think I can say on behalf of my colleagues on the Backbench as we are entering the time when we will be getting down to the nitty gritty, that we are prepared to be as reasonable and flexible as we can be, but we expect that our constituents are going to get some of their needs addressed. Even if that means being accused of parochialism again. I will finish like I started, all politics are local. Thank you.

**MR. PRESIDENT:**

The Honourable Member for Communications and Works. Sorry, I thought only one Member was trying to catch my eye, were others? I missed it if you were. It is good to know there is competition.

**HON. LINFORD A. PIERSON:**

Mr. President, since it seems that the Members of Executive Council already have the shadow Members on the Backbench, I am not quite sure whether I may be speaking before or after my shadow Member. However, I wish to congratulate the Honourable Financial Secretary on what I would term a very good Budget. I will seek to substantiate my assessment of the Budget in my following debate.

I too like to refer to notes in order to keep my facts right and to be as relevant as possible with the debate. Much has been said about the ivory tower of academia, much has been said about one's ability, but I am reminded, and I think it was 1985, after having been in the House for about two years, a constituent of mine approached me when I was tempted in the same way to get up in this House and pound my chest. That constituent told me that he was quite aware of my qualifications and my accomplishment and really did not need to be reminded every time an opportunity arose. That has stuck with me and I do not intend to follow any Member's example by reminding individuals of what I may have accomplished, but only to say that as far as the finances of this Government go and the Budget of this country is concerned, I believe that I can hold my own with the best of them.

The debate thus far has been of a very healthy nature and I encourage very healthy opposition and debate as I was one that also, I believe, got involved when I was on the Backbench in very healthy debate. This is not new to me and I am willing and I believe able to accept any challenge that may be levelled at me in respect of the stewardship of my Portfolio.

We are here debating the Budget. In order to do that one must apply oneself to the details of the Budget in the order the Budget has been presented. In other words, the Budget covers the actual performance of Government over the current year, that is the revised Budget for 1990 and it also covers the estimates for 1991. We heard previous speakers comment on the gloom and doom and demise of the Cayman Islands, but I believe that many of the listening public, and I would venture to say the majority, accept much of this as mere political rhetoric. As far as the economy goes, I do not necessarily share the view that a recession in the United States may necessarily mean a recession to the same extent in the Cayman Islands.

This position is borne out by past trends in the history of the economic development of the Cayman Islands. I would give one example, which was in the early 1980s when the United States experienced one of its worst recessionary cycles. But, conversely this was one of the highest

economic growth periods in the Cayman Islands. That is not to say that the Cayman Islands will not receive some negative impacts from this recession, but the point I want to make out, is that the gloom and doom debate that we have heard here, much of it is political rhetoric.

I am not here to criticise any individual. I am here to deal with the Budget and I will be making frequent references so that other Members of this House can follow any section of the Budget or any document that I may refer to. It must be understood that an economic forecast is exactly what it says. Economics is not an exact science and this is why it is at best a guesstimate.

Despite the impending recession in the United States, this Government continues to provide excellent management and I will point this out as I go on from the figures within the Budget. Bearing in mind that the political machinery of Government, meaning in this case the four Elected Members of Executive Council, because it seems that the Backbenchers always ignore the three Official Members as a part of Government. Despite the fact that the political arm of Government has no direct control over many areas of the recurrent budget, this Government has continued to provide good and proper management and stewardship of Government funds. And this is reflected not only in the recurrent Budget but more so in the Capital Budget which the Executive arm or the Elected arm of Government has a better control on.

As regard the recurrent budget, or recurrent expenditure one of the problems is that Government is still using what I would term as an accountant, the incremental system of budgeting. In my opinion such a system is not as efficient as other systems because it takes much longer to detect and eradicate inefficiencies. Perhaps at some stage the Honourable Financial Secretary may consider the wisdom or otherwise of examining the feasibility of Line Item Budgeting or perhaps Zero Base Budgeting with a view to improving the productivity and efficiency within Government departments.

Moving on from the economic situation or forecast to the financial position of Government, is perhaps one of the most important parts of this Budget. The question is what is the true financial position of Government? I intend to go into much detail to point out some weaknesses in some of the arguments and debates put forward thus far.

I believe that the way in which the financial position was presented in the Budget may have inadvertently created the misunderstandings that was most evident from the debates of previous speakers. For whatever reason this did not take the form of what I would regard as the past standard presentations that we have seen in previous Budgets and was not consistent with similar presentations in the past.

In the Budget Address a deficit of \$18.3 million on the Revised 1990 Budget, was highlighted. This is what previous speakers have based their debates on. When in fact, had the Budget Address included the brought forward surplus at the 1st of January, 1990, of \$11,791,690.00, the deficit position before accounting for the \$7.8 million transferred from general reserve would have been instead \$6,521,821.00. This would have given the true position as is reflected (and I will make my first reference, Mr. President). As is reflected on page 4 of the Budget. I am free if anybody wants to stop me on a Point of Order, I will be happy to explain what I am saying.

Having taken into account the \$7.8 million transfer from general reserve, the revised position, the revised financial position at the 31 December 1990, is a surplus of \$1,278,179.00.

**MR. PRESIDENT:**

Proceedings are suspended until 2:15.

**AT 12:47 P.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 2:25 PM**

**MR. PRESIDENT:**

Proceedings of the House are resumed, the Honourable Member for Communications & Works, continuing.

**HON. LINFORD A. PIERSON:**

Thank you, Mr. President.

At the break I was speaking on the question on the financial position of Government and had referred to what I thought or what I feel is the correct presentation of the financial position or the revised financial position for the year 1990, as reflected on page 4 of the Budget. In this connection there has been some amount of criticism levelled at Government for transferring \$7.8 million from the general reserve to the Surplus and Deficit account.

How inconsistent can some individuals be? I remember that approximately six months ago, if not less, Government was derided and advised by certain Backbenchers that the proper financial position for Government to have taken in order to meet the cost of the salaries review to civil servants would have been for Government to have transferred the necessary funds from the general reserves.

Effectively this is what Government is doing at this point in time, when the \$7.8 million is being transferred from the general reserves to balance the revised 1990 position.

The inconsistency in this respect is not with Government because at that time we were told that it was financially imprudent for Government to level any form of taxation in order to have sufficient revenues to meet that cost and that the proper way to have gone was for Government to have used funds from the general reserves for that purpose.

Now, at this point in time we are told by the same Members and in particular by the Third Elected Member for George Town that this is incorrect. It is no wonder that at the end of 1984, his Government was bankrupt.

The estimated surplus position at the 31 December 1991, which is next year is \$274,034.00. No deficit, Mr. President. This is a surplus position and I will deal with how we arrive at

this surplus.

I will not be covering anything because the Government has no reason to cover anything. It is a good Budget and I want any Member of the Backbench to successfully contradict that by showing us from facts and figures that this is incorrect and that the policy of Government is a wrong policy. We may hear a lot of political rhetoric but we want that political rhetoric to be supported by hard cold facts.

It is true that Government agreed to finance certain important Capital projects with total loans in the amount of \$13.3 million. But, I believe I can show where such a decision was prudent and in the circumstances unavoidable. I also believe that certain previous speakers have endorsed the wisdom of Government whether they knew it or not, they have endorsed the wisdom of Government in this respect. Even though, I detected a number of inconsistencies.

Again, in particular in the debate of the Third Elected Member for George Town and I will deal with him a little later on because he did not spare me in trying to give me a lesson in accountancy. On the one hand he has taken upon himself the position of chastising Government for obtaining loan financing for important Capital projects and on the other hand he stated that Government's Budget for 1991 have insufficient funds for important projects. He needs to make up his mind. There is too much inconsistency. Political rhetoric. Could it be that he like some of his colleagues are deliberately refusing to admit that this Government has demonstrated their good stewardship beyond any question. I have not yet heard any substantial arguments to prove otherwise.

Further, this Government has produced and presented through the Honourable Financial Secretary a most appropriate Budget bearing in mind the world's economic vagaries or erratic behavior. But what is the true financial position as reflected in the Budget? This is a public document, any member of the public has a right to see this. We can see on page 4 of the Budget, the Financial Statement Revised Position for 1990, as well as the Estimated Position for 1991.

Firstly, this Government had a surplus balance of \$11,791,690.00 at the end of 1989 which was brought forward into 1990. The Revised Revenue for 1990 was (a) under Local - \$98.7 million and I am rounding these figures, Mr. President. Under Loan - \$1.6 million and under general reserve - \$7.8 million which was transferred from accumulated general reserve of some \$19 million. So this Government is in no bad position. We are in a very strong financial position. Considering that all around us we find that the outside world is falling apart. But what kind of economics would it have been for this Government to know that there is an impending recession in a country on which we depend so fully, and not provide some amount of Capital financing to keep the economy moving?

The Revised Estimate of Expenditure for 1990 was the Recurrent amount of \$96.3 million, a Statutory figure of \$5.9 million and Capital divided into three sections. From Local Revenue - \$14.7 million, from Loan Financing - \$281,208 and from External Loan - \$1.3 million. That is how we arrive at \$10.5 million. When we deduct the Expenditure from the Revenue we get the total Expenditure being \$118.6 million and the total Revenue \$108 million. So we have a deficit position of \$10 million.

When you add the \$7.8 million transferred from the general reserve, that is how we arrive at the \$16.3 million. The true facts are that when we account for the \$11.8 million which should have been brought forward at the first of January, the position at the 31 December 1990, is the surplus position of \$1.3 million. I should point out that initially it was estimated to be \$1.1 million.

The estimated position for 1991 when we bring forward the \$1.3 million leaves us with a balance of \$274,000 estimated at the 31 December 1991. I will say here and now, that I feel that the performance of Government will show that this figure will be much better at the end of 1991.

On the question of the 1990 Revised Budget, I wish to now briefly touch on the reasons for the \$6.5 million deficit. That is the \$18.3 million we were told about, less the \$11.8 million which was brought forward at 1 January 1990, and should properly have been accounted in that manner leaving a balance of \$6.5 million and I would like to give my reasons why we arrived at a deficit of \$6.5 million.

Dealing firstly with the Revised Revenue position. As can be seen from page 19 of the Budget, the Revised Revenue position was down by \$2.5 million on the 1990 approved amount of \$102.8 million.

The question could properly be asked, what caused that? I believe that I have some plausible answers. The major reasons are as follows and it should be noted that these errors were inadvertently made within Government Department and had nothing to do with the four Elected Members of Exco. It was a mistake. Firstly \$4 million was a duplication made in the preparation of the 1990 Budget. It was included in the brought forward Surplus and also included under Sub-head 71 contributions in the 1990 Approved Revenue. We cannot be fully blamed for this. Unfortunately, this amount was not included in the Budget Address, so Members did not readily pick this up as they may have explained some of the reasons for the deficit on the 1990 Revised Financial position.

Further, in addition to the \$4 million an amount of \$2.5 million under Sub-head 69 as can be seen on page 19 in the 1990 Approved Revenue was over-stated in the preparation of the 1990 Budget. Also a third major item in the Revenue Revision caused a deficit and it was the amount over which the Elected Members had no control. The \$2.6 million was short of the estimated \$16.3 million under Sub-head 64 - Sales. A quick addition to that will show a total of approximately \$9.1 million over which we had no control.

In the Budget Address the Honourable Financial Secretary alluded to this problem in paragraph 3 of the introduction to his Budget Address. Basically \$2.5 million of the \$2.6 million shortfall was due to a drop in Revenue Stamps collection. That is item 64-007 on page 21 of the Budget.

It is specifically in this area of Revenue collection that improved efficiency is required. This is being worked on. Also it may be necessary for Government to impose more aggressive and vigorous enforcement measures under the Law in respect to certain aspects of the Revenue collection system. As I mentioned earlier just in respect of those three items alone under our Revised Revenue

position we account for \$9.1 million.

So I think that Government is fully justified in the transfer of the \$7.8 million from general reserve, especially when we bear in mind that this Government had at the end of 1989 transferred \$6 million of that alone from its Surplus and Deficit Account to general reserves. I will also go into the details of our general reserves later on. That was one side of the ledger that showed the reasons why we had a deficit of \$6.5 million. A true deficit, but there is another reason in addition to those errors made under General Revenue. There were also problems under the Revised 1990 Expenditures that added to that problem. No Government would have been able to deal with those problems any more effectively than this Government did.

Unavoidable expenditures occurred during 1990 which contributed to the deficit on the 1990 Revised Financial position of Government. One has only to refer to page 27 of the Budget to readily see or observe that of the total increase in Recurrent Expenditures in the amount of \$11.8 million that approximately \$7.6 million was in respect of Personal Emoluments which resulted from the Civil Service adjustments paid in 1990. Here again the Members cannot be blamed for bad stewardship when we in our best judgement pay our civil servants who we feel deserve such an increase.

Also it can be seen from the Budget that Personal Emoluments accounts for \$10.9 million of the approximately \$13 million increase in the 1991 Estimated Expenditure over the 1990 Approved Expenditure. I want to get those terms quite right, because the increase we are comparing the approved figures of 1990 with are the estimated figures for 1991.

I have taken time to outline the major reasons for the deficit on the Revised 1990 financial position before accounting for the \$7.8 million which was transferred from the general reserves. I have also endeavored to show the justification for Government having to obtain loan financing for important Capital projects during 1991.

The \$13.3 million being proposed for Capital projects during 1991 show a drop of \$6.5 million from the 1990 approved Capital Budget of \$19.8 million. Of the \$13.3 million, \$12.9 will be financed through loans and the balance of \$360,402 by the European Development Fund. I think it is important even though it was mentioned in the Throne Speech because of previous debates on this that the matter should be clarified as to the reason why this \$13.3 was necessary to finance Capital projects.

Mr. President, \$3.1 million was spent on education. We are told that education should be given priority. This is exactly what this Government is doing. \$3.1 million on the Community College and on other school buildings. We are right on form, this is what we have been advised to do. Not only by consultants but Members of this Honourable House, so nobody can accuse us of not listening.

Mr. President, \$1.5 million is on Medical facilities. What better Capital projects could we spend money on than on the health of the people of these Islands? Comprised in that \$13.3 million is also an amount of \$3.2 million on Government offices and public facilities. The long awaited first phase of the Five Year Development Agricultural Plan, provision is made of \$917,900 to implement the first phase plan. I should mention that this is a cut that Government has had to make from the initial provision as recommended by the consultants of \$2.6 million for the first phase. Additionally we have heard a lot of talk about funds for building roads and repairing roads. This is from the debates we have heard here a top priority. \$1.9 million is provided in that \$13.3 million. Additionally \$1 million for the purchase of lands. That is the way that \$13.3 million is going to be used.

I want to hear any challenge from any Member showing where there is anything wrong with the priorities we have given in our Capital programme. Regardless of whether those funds are from loan funds or from the General Revenue. Nobody can dispute that those Capital projects are very badly needed and should be financed. I will deal later on with the question of our public debt.

The balance of \$13.3 million in the amount of \$1.7 million will be used up for the purchase of Government vehicles, furniture and equipment and for the development of harbours, docks and for disaster preparedness and that is in the amount of \$611,440.

As can be seen these are needed projects which could not be shelved. It is therefore incomprehensible to me and to my elected colleagues how any Member can rise in this House and honestly criticise that move and this Budget. In listening to some of the debates it seems that they, and I have to agree with the Honourable Member for Health and Social Services, it seems that some of the previous speakers had been debating a different Budget from what I have in front of me this evening. Certainly their financial analysis would confound the most astute financial brain.

Before dealing with other specific areas of the Budget I would point out that the levelling off or cooling off of the economy is in keeping with the wishes of this House and many individuals in the private sector. One will recall that in the April 1990 session that the Honourable Member for Tourism brought a Motion to this House to place a moratorium on hotels within a specified area. One of the reasons for this Motion which received incidentally the unanimous approval of this House, that is including the Third Elected Member for George Town, one of the reasons was to take some of the heat out of the economy.

At that time consideration was even given to the Economic Development Unit preparing a national development plan with the major objective of monitoring and imposing national measures to control the growth of the economy and to take some of the heat out of the economy. Now that we have attained a reasonable growth of 9.5 per cent we hear a lot of gloom and doom rhetoric from the Backbench Opposition Members. Or at least some of them.

I wonder if all Members really read the Budget Address of the Financial Secretary and really listened to it. If they did, I would like to quote a little piece that substantiates what I have just said. What did the Honourable Financial Secretary have to say about the economy? He said and I quote: "If growth in the economy has slowed as the available calculated estimates suggest, it is my view that this is nothing to be alarmed about;"

And, the Financial Secretary went on to say: "That the fact that the economy automatically adjusts itself to the pressures on its production capacity is sound testimony.". That it was the wisdom of Government that brought this about. He actually said, Mr. President: "that it was sound testimony to the wisdom of Government in following a free market economic development strategy, and sound testimony to the Government's faith in the workability of its policies based on that strategy.". I need say no more on that because no-one, and I will be listening to speakers to come to see if they can really speak convincingly and truly against that statement.

As I said, it seemed that some previous speakers debated a different Budget than the one that I have in front of me. Very importantly if those Backbenchers that spoke and those to come are correct in their gloom and doom economics, then Government would be remiss as I said earlier. If they are correct in their gloom and doom economics, Government would have been remiss in not providing sufficient funds in the Capital Expenditure Budget to keep the economy vibrant.

This is good fiscal and economic planning. Government instead of being ridiculed should be congratulated in their wisdom of providing loan financing when this is most needed. I am going to also deal in dealing with the public debt, to show that the most important aspect of the public debt is Government's ability to service the public debt. In order to fully focus on this Budget it is necessary to also focus on the divisions of the economy. I agree that every effort must be made to protect and maintain a reasonable growth within the two main sectors or industries of our economy. That is the tourism and financial industries or sectors. In this connection I would say that it is my personal opinion that the potential for the fastest economic growth is in the tourism sector. The Honourable Member for Tourism is to be congratulated for his efforts past and present in developing this sector of our economy regardless of what any shadow Member may want to say about this.

I share the view with the Honourable Member for Tourism that every effort must be made to maintain and expand our share of the highly coveted tourism market. Thus the wisdom in Government increasing the allocation for the expansion of this vital sector of our economy, tourism. Likewise I will support all efforts made to improve our tourism product and tourist facilities including any improvements that may be put forward for our cruise ship berthing facilities. When I speak of improvements I include Cayman Brac and Little Cayman.

But in order to become as competitive as possible most of our competitors through-out the Caribbean and elsewhere are improving their tourism facilities but such a commitment whilst not having to be a direct Government commitment would most certainly have to be received or have to receive some type of form of Government's guarantee. Thus increasing the contingent liability of Government. But, this would have to be weighed up against the increased revenues to these Islands - that is the cost to provide these facilities vis-a-vis the cost of the revenues derived from the facilities.

This leads me very smoothly into the question of the public debt. The question that I pose is what is the true position regarding Government's public debt? Certainly not what was explained by the Third Elected Member for George Town. Before dealing with the question of our public debt, I wish to point out that the leaver or standard used in the Public sector is the ability for Government to service its public debt.

In this connection not even the Third Elected Member for George Town can refute the fact that this Government is within very safe limits in regards to the servicing of its public debt. Even taking into account the \$13.3 million proposed for loan financing in 1991. This will still not exceed the acceptable level of 10 per cent debt servicing to Recurrent Revenue. It is my understanding that the debt servicing including the \$13.3 million budgeted for the Capital projects will reach approximately eight per cent.

I sat here yesterday and was tempted to stop the Third Elected Member on a point of order when what he was saying was, in my opinion, misleading. But to briefly reply to the explanation given by him on the public debt, I must say that I cannot agree that Government has a direct liability to service the total public debt shown in the Budget. This was the point I made when I rose on a Point of Order. I did not say that there was not a total amount of \$30.5 million under the public debt. The point that I was making was how much of that amount is a direct liability to Government which we found was \$6.7 million excluding the 1991 Capital loans and that the \$23 million was in respect of agencies or Statutory Bodies of Government which because of their involvement with Government formed a continuant liability of Government - and every accountant knows a continuant liability falls below the line.

Even though I clarified this point on Tuesday 20 November when I rose on a Point of Order, during that Member's debate, on Wednesday he compounded the same misleading statement. The only reason I have chosen to comment on this Member's incorrect explanation of the public debt is that I expected him to know better. Our public debt obligation is at the 31 December 1990, will stand at \$30.5 million. That is the facts of which \$23.8 million relate to Statutory Authorities. The balance of \$6.7 million is the direct liability of Government, not the full \$30.5 million. It is correct that Government has a continuant liability for the \$23.8 million in loans in respect of Statutory Authorities which we guarantee.

If we were to use the accounting rational or logic used by the Third Elected Member for George Town, then Government, if it were to assume the full responsibility for the loans to Statutory Authorities, would be expected also to benefit from the revenues or profits from those organisations - unless we are dealing with single entry bookkeeping. The truth is that this Government is quite capable of comfortably servicing its public debt and because of good fiscal management of the various Statutory Bodies, the chances of Government having to assume any of these debts are quite remote indeed.

The main point which I wish to emphasise in this connection is that of the total public debt. Approximately 76 per cent is in respect of self-financing loans. What is the definition of self-financing loans? These are loans, raised by the Government on behalf of Government agencies such as the Statutory Bodies who are required by agreement to reimburse all principal and interest charges paid by the

Government on these loans. In other words, the responsibility for the payment of self-financing loans in this Budget and otherwise rests with the Statutory Authorities concerned. Not Government!

Now, I wish to move away from the public debt and deal with the general reserves. I was quite amazed and somewhat amused to hear all the fuss made by certain previous speakers over the transfer of \$7.8 million from our general reserves, when in fact Government financial records will show that this was a common practice in the years 1976 to 1984. The Honourable Member for Health and Social Services has already dealt with various instances when transfers from general reserves were made during the tenure of office of Members during that period.

Worst, having benefited from one of the greatest economic growths in the history of these Islands, the 1976 - 1984 Government managed as I said earlier to leave this country almost penniless. Why and I asked the question, why did not the Third Elected Member for George Town provide the 1976 - 1984 Government with the benefit of his financial expertise which he now so readily offers this Government? Their records do not show any good financial stewardship.

As stated in the Honourable Financial Secretary's Budget Address our general reserve is estimated to be in a healthy position in the amount of some \$19.6 million at this year end. From this amount \$7.8 million was transferred to the 1990 Revised financial position leaving a healthy financial position of \$11.8 million on the general reserves.

Nobody can fault that sort of record. With \$11.8 million on general reserve and a surplus taken into account the \$7.8 million transferred, but with a balance \$11.8 million now on our general reserves and a surplus on our Surplus and Deficit Account for a revised 1990 position plus the healthy position on our 1991 Estimated Account, I cannot see where there is any ground for the kind of criticism we have seen here today or since this debate started. Bearing in mind the economic situations in other countries where some certain countries as big as the United States have had to shut down some of their Government's departments.

**MR. PRESIDENT:**

Should we take the break then? Suspended for 15 minutes.

**AT 3:17 P.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 3:39 P.M.**

**MR. PRESIDENT:**

Communications and Works, continuing.

Proceedings are resumed, the Honourable Member for

**HON. LINFORD A. PIERSON:**

Thank you, Mr. President. With \$11.8 million on general reserves, a surplus on our Surplus and Deficit Account plus the very healthy position of our public debt and our ability to service these debts, I believe that we can feel justified as Elected Members in having supported the presentation of a very good Budget and in having maintained a commendable stewardship of Government funds. We have nothing to be ashamed of, but to the contrary we have much to be proud of.

Each Elected Member of Government - and I refer to Elected Members since all the salvos thus far seem to have been aimed at Elected Members - can be proud of our accomplishments since we assumed our offices in November 1988.

I will not touch in any details on other Members' Portfolios as they are quite capable of defending their own position. I would nonetheless observe that generally as far as my memory will serve, this Government has not been more professionally managed. But, the Budget Session would have been very boring indeed without some amount of opposition and political rhetoric regardless of the obviously sound policies of Government.

Having commented earlier on Tourism which is a most important sector of our economy, I would briefly comment on the other half of the economy which is the financial industry. I would briefly say that in terms of national income relative stability and positive growth in the local financial market reflect an estimated \$51 million in real terms which represented a 13.3 per cent growth in real national income contribution over the 9.8 per cent growth recorded in 1988. That is not bad for a Government accused of not managing the affairs of these Islands properly.

Now, having touched on the economy, having dealt with the financial position of Government, the public debt, general reserves and other matters, I wish now to turn to my Portfolio subjects. My Portfolio responsibilities cover a fairly large number of Government Departments and Statutory Authorities. It is not my intention to go into a lot of detail on each Department, as my Portfolio accomplishments are quite evident and public knowledge. I will, however, provide highlights of various Departments.

The first Department I wish to deal with is the Agricultural Department. The Department of Agriculture has seen positive growth during 1990 and indications are that this trend will continue. The Department continues its prescribed services to the public. This includes services in Agronomy, Veterinary Medicine, and Surgery as well as making available agricultural supplies to the farmers. Information and advice are also disseminated to the public. The Department has an overall responsibility for the regulation and development of the agricultural sector.

I would like to look at some of the attainments of the Agricultural Department during 1990, just to demonstrate the stewardship of the Portfolio and its Departments. The first attainment was the completion and presentation to this House of the first comprehensive Five Year Agricultural Development Plan for the Cayman Islands. This is an indicative plan creating incentives and infrastructural



development to foster entrepreneurship in the private sector.

The second attainment is the production of an organizational plan and year one activities of the Five Year Agricultural Development Plan which spans the years 1991 to 1995. This include organizational structure, budget and work plan for a proposed plan implementation unit. The first phase is estimated to cost \$1.6 million. I think that I might have mentioned \$2.6 earlier, it is \$1.6 and I apologise for that error. But the expected Budgetary allowance for 1991 has been reduced because of Budgetary constraints to \$917,900 which is necessary to properly implement the first phase.

The third attainment was the resumption of useful and applied investigative work at the Government field stations with the following projects under way:

- a) Evaluation of a drip irrigation system in the production of several vegetable crops using available ground water.
- b) Papaya right-all trial with emphasise on selection for varieties tolerant to the Bunchy Top Viral Disease.
- c) Rehabilitation and reestablishment of banana plots with special emphasise on the introduction of new banana and plantain cultivars obtained via a new bio-technical tissue culture. The production of seed and planting material for bulking and distribution example: a new West Indian sweet corn variety was introduced.
- d) Rehabilitation of existing orchards and the initiation of fruit and horticultural propagation using locally available plant material.

Another attainment, was the use of on-farm sites to initiate pilot studies involving fertilizer trials in yam production. Two East End farmers and one North Side farmer are participating in these trials. Again, increasing the level of competence in hydroponic production for both farmer and staff at the Department of Agriculture. This was done in the following manner:

- a) Provision of technical assistance to teach and direct in a hands-on manner at the tomato hydroponics farm in Savannah owned by Mr. Otto Watler.
- b) The modification of the hydroponic system to improve its efficiency, lower its cost while improving on the quality and yield of fruits obtained.
- c) To engage in experimentation with tomato varieties more suited to tropical conditions.

Another attainment in the Agriculture field, is that good progress was made with the study to eradicate Liver Fluke disease from cattle in Grand Cayman; a short consultancy involving experts and Cayman Islands cattle raisers was completed. Climate data studied, some equipment obtained, interim plans in place for specimen collection and treatments; longer term plans for in-depth epidemiological study leading to eradication are being discussed. A well designed programme requires four to five years for desired results.

This Department, though it is not loudly touted has made a number of various attainments during the year. Another is that the Department is pursuing the latest advances in tick control methods. Also, since the addition of a second Agricultural Inspector to the Quarantine Service was made, there has been a noticeable improvement in these services.

Also as regards to Farmers Market, this is improving steadily in terms of the through put of meats and vegetable products. The market is at present undergoing management adjustments and has taken on-board a comprehensive accounting system which will assist management in making proper analysis for effective decision making.

In spite of the above attainments, the Department is lacking in manpower in both technical and administrative areas. The need for an Administrative Assistant and extension trained technicians cannot be over emphasised. Finally, on the Agricultural Department closer ties between Portfolio Department of Agriculture and the Cayman Islands Agricultural Society were realized in 1990. Government lands have been leased to the Society for the purpose of constructing the Agricultural Pavilion. A sum of \$80,000 was also disbursed by the Portfolio to help with the construction.

And now, I wish to move to another of the Departments within my Portfolio, the Postal Department and this has come in for a lot of debate. I will not at this point have a lot to say in rebuttal because I feel sure that a lot, the listening public and Members of this Honourable House can detect political rhetoric when they hear it. Plans for a new General Post Office are in the preliminary stages.

I would like to mention that the \$300,000 which is provided under the Capital Expenditure Head 42-007 has been estimated using the principle of the Public Sector Investment Planning - PSIP, which accounts for projects on the cyclical basis and this is basically as follows.

They have split it into five sections under the PSIP principle. Firstly you have the identification, the preparation stage, the appraisal stage, the implementation stage and the evaluation stage. We have already implemented the PSIP system and this is the reason for the \$300,000. We did not put more in the estimate than we feel should be properly put there for expenditures during 1991.

On the Sub-Post Office, Westshore Centre, again this has come

in for ridicule. But in addition to this Sub-Post Office, provisions have been made in the Budget for two other Sub-Post Offices. One in West Bay and the other in North Side, both of which are badly needed.

One former speaker made certain remarks about these proposed establishments. Again, I can only say that if previous Governments had the foresight to provide the necessary Postal facilities, then I would not have to be doing it now.

As regards to sub-Post Office in the Westshore Centre, while it can be said that the one in West Bay and North Side will be to up-grade those facilities, the one in the Westshore Centre came about as the demand from the growth with that particular area of George Town. I would also mention that this unit is a very profitable operation. The figures speak for themselves and I have given those in this House and they are a part of the records of this House in the *Hansards*, available to any Member of this House. The figures speak for themselves and I will say no more on this because I too have a little phrase or anecdote which states: "A man convinced against his will, is of the same opinion still". I could say more on the Post Office but I believe that the actions taken by Government is self justifying.

Public Works Department: This Department again has come in for a lot of criticism. I would say some very unjustified criticism. The 1990 Budget as far as roads are concerned will have to go down in our Legislative history as the Backbenchers Budget. The *Hansards* and Minutes of Finance Committee will show that Backbenchers had a hey-day in Finance Committee at that time. And that the funds that were allocated to important projects, important phases, call it the immediate action phases, or the Master Ground Transportation Plan, or whatever, were utilized to be split up between various districts. Also, the funds that were allocated to the Jennett T as we call it, was also used up.

In addition to that, the Members on the Motion of the Third Elected Member for George Town voted a quarter million dollars added to the over \$500,000 that had already been spent on the MGTP, bringing it to near \$800,000 that went down the drain as a result of these actions and I will deal with that in the Minutes of the Finance Committee which I have here.

I am reading from the Finance Committee Minutes, it was on the Motion of the Third Elected Member for George Town, Mr. Truman Bodden, that \$3,330,000 was reduced from Head 41 which was in respect an amount of \$360,000 provided for the Jennett T, there was \$630,000 for district works, \$680,000 for the School Access Road, the phase one of the MGTP was \$660,000 and the land acquisition that would have assisted us in getting a road that is so badly needed off Jennett Street, was also taken and was divided up amongst districts.

The saddest part about this is that the Elected Members of Government were crippled, they were unable to do anything about that. And you hear the Third Elected Member for George Town getting up here and saying the roads are so bad, that he needs something done in George Town but yet he had the purse strings in 1990 to have done something about it and the total amount that was allocated was \$200,000 for jobs that required over a million dollars.

**MR. W. McKEEVA BUSH:**  
for me?

Mr. President, I wonder if the Member could clarify something

**HON. LINFORD A. PIERSON:**  
it is a Point of Order, I have no intention of giving way.

Mr. President, the Member will have his chance to speak. Unless

**MR. PRESIDENT:**

You did not raise a point of order.

**MR. W. McKEEVA BUSH:**  
some clarifying about the Budget he would give way and I was asking him to give way, Sir.

No, I was taking him up on his offer. He had said that if I wanted

**HON. LINFORD A. PIERSON:**

Mr. President, as regards to Public Works Department, it has many projects going now, but we only hear about the bad sides of these Departments. You never hear any credit given where credit is due. There are several very important projects being carried on now by these departments. For instance, Training. The Department of Public Works continues to invest in training young Caymanians. Those currently overseas include Jonathan Jackson and Sean Evens who are studying architecture; Finlay Josephs who is studying Civil Engineering; Omar McLean received a Bachelor of Science Degree in Architecture and returned to the Department in January. Four students from the Community College attend on a one day a week release programme to assist them in work experience. There are a number of other training programmes going on in the Public Works Department.

On the road section, the decade of the 1990s started with the continuing of the clean-up from the Christmas 1989 Nor'wester. Road repairs and general clean-up costs total about \$26,000. In more routine plan work the Capital Roads Programme for 1990 was budgeted at \$2,969,211 after virements. The actual expenditure is projected at \$2,243,109 or 75 per cent of the approved Budget.

Between the Portfolio and Public Works Department meetings were held at the beginning of the year with the representatives from all districts in order to prioritize the road programme needs. \$2 million was approved for this programme in 1990, with some 91 projects being identified at a cost in excess of \$2.4 million.

I am going into details on this because from comments made in this House, one would think that the Public Works Department is doing nothing. Twenty-five projects are at design or pre-construction stage and have been deferred by land acquisition and will be rescheduled for construction in later years.

Of the projects that were completed, major accomplishments

include - completion of the Beach Bay Road construction, that is a 1.1 mile road through very, very rocky terrain. Also completed in 1990 was the West Bay Road sidewalk project that built almost a mile of sidewalk between the Hyatt Hotel and the Governor's residence. Other major Capital work completed in 1990 included the extension of Kings Road in West Bay, the levelling and widening of the road at East End Town Hall and the completion of the turn lane on West Bay Road at Eastern Avenue.

In addition to these major works a large number of minor local district projects were completed including 23 new subdivision roads: Bodden Town - 10; West Bay - 5; Frank Sound - 1; George Town - 7. Nine additional new drain wells, 10 marl road reconstructions, five shoulder improvements and eight other minor projects. Second application work was done on five roads. All totaled 60 separate minor works projects were completed in 1990 in the districts at a cost of \$1.9 million.

The road section also completed major reconstruction of car parks at the Town Halls in East End and in Bodden Town; the East End and North Side Police Stations; at the Governor's residence and the L.A. building; at Smith's Cove and the Public Beach on West Bay Road; the West Bay Sports Complex and Whitehall Bay. These jobs totalled \$120,000.

In addition a new access road was also built to the West Bay Softball Complex and work started on the access road and car park for the prison expansion. Further the Department continues to utilize local contractors for road work including some second application work, grass cutting at 10 playfields, well drilling and several minor projects.

Following a regrettable Finance Committee decision, funding to continue with the Master Ground Transportation Plan, then in a second year was withdrawn. The project was wound up by April 1990 at a cost not exceeding \$250,000 to cover salaries etcetera to do the winding up of that project. The need to implement an alternative solution is now of paramount importance and I intend to briefly speak on plans for the Cayman Road Improvement Plan.

In addition to the road works, Public Works Department carried out a number of functions under their maintenance responsibilities. The Department continues its prime function of being responsible for the maintenance of roads and buildings. In 1990 expenditures on maintenance activities are for public buildings \$760,943; schools buildings \$597,275; staff houses \$301,089. The maintenance of roads including drainage and wells, signs and lines amounted to \$627,500. The maintenance of playing fields \$54,152.

Due to the ever increasing inventory of buildings, playing fields and roads the funding for adequate maintenance services on a planned maintenance basis remains grossly inadequate and needs to be increased by at least an annual amount of \$750,000. In this manner it would seem more appropriate to reduce funding for Capital projects by a mere five per cent and provide this additional \$750,000 per annum to provide the appropriate funding for proper care and maintenance of existing facilities. It is much more economical to provide this maintenance than to allow the facilities to deteriorate until total replacement is required.

The Public Works Department is planning the necessary computerization that will allow detailed inventory and maintenance records for these facilities and we look forward to much improved accounting and reporting capabilities if the additional computer hardware and software is funded in 1991.

On the Building Maintenance Section, in addition to its building maintenance function the section is responsible for repairs and renovation activities to Government Buildings. Such a list of activities and expenditures for 1990 included Medical Buildings at the George Town Hospital - \$25,929; Police Buildings at the Central Police Station and District Sub-station - \$131,700; the prison building, Northward complex including staff quarters - \$30,000; Administration and Tower Building - \$135,000; District Town Halls, renovations to George Town and West Bay Town Halls to be completed in 1991 and paved parking areas to Bodden Town and East End Town Halls - \$138,492; additionally construction of cemetery facilities in West Bay, Prospect, Bodden Town and East End - \$51,500; maintenance of Caring Homes for the Social Services Department and its housing assistance programme - \$84,900.

I think that these figures justify the stewardship not only of the Portfolio but also of the Public Works Department. I am not suggesting that much is not needed to be done in improving the productivity and efficiency of that department, but I am only saying that credit should be given where it is due.

On the building section in line with Government's policy, Public Works Department has continued to push toward putting Capital projects out to the private sector. The vast majority of Capital projects are tendered competitively. In addition to its responsibilities to construct buildings for the various Government Departments the building section continues to provide a consultant service to the various Statutory Authorities on major projects. In 1990, consulting services have been provided to the Civil Aviation Authority on a number of projects. The largest being on the proposed rehabilitation and overlaying of the Owen Roberts International Airport runway, scheduled for construction in 1991.

The Public Works also provide other services. Consultant services have been provided to the Port Authority on their container yard project and on the repairs to George Town and Cayman Brac docks following the Norwester damage in December 1989. The Community College of the Cayman Islands has also received the benefit of these services on its new Community College project.

On the Community College construction of phase one of the Community College comprising technical workshops and Administration and Technical Studies Building and a Business and Hotel Studies Building commenced in March 1990. The technical workshops were completed and handed over to the Community College of the Cayman Islands in October 1990, and classes will commence in this building in January 1991. The remaining two buildings are on programme for a February 1991 completion. The total project cost of \$4.74 million with \$2.9 million being expended in 1990.

The Public Works Department also got involved or assisted in the building of certain school buildings. At George Town Primary the new Assembly Hall which will double as a hurricane shelter was completed in April. The project is valued at \$373,000 with \$196,245 being expended in 1990.

Re-roofing works were completed to the main school building at a cost of \$25,000. Plans for a new infant Primary School are under development. Construction is expected to commence in 1991, even though we have heard that the Honourable Member for Education is doing very little for education.

At the Cayman Islands High School the re-roofing of the Science classroom block and the new maintenance workshop building were completed. Designs for a new Science block were completed. At the Middle School designs for a library learning resource centre were finalized, the project estimated at \$1,765,000 is now at final appraisal stage. At the Cayman Brac High School an Industrial Arts classroom facility estimated at \$250,000 will commence construction during November 1990. At Savannah Primary School the two classrooms and toilet block extension were completed. The project is valued at \$196,790 with \$138,630 being expended in 1990. The new infant school at West Bay commenced in September 1990. The school to be built in four phases is estimated at \$4,485,000. Phase one valued at \$931,964 is scheduled for completion in April 1991. A new Assembly Hall to the existing primary school and new infant school is planned adjacent to these schools and preliminary designs for a teachers centre at Creek Primary School Cayman Brac were completed.

I think that I have demonstrated the amount of work that has been carried on just by one department of Government not to speak of all departments of Government. In addition the Public Works have assisted with hurricane preparedness. Twelve hurricane shelters through-out the Islands are being up-graded with the provision of stand-by generators. Storage rooms for essential supplies and on-sight hurricane shutters store. This will complete the programme to 17 shelters island wide. In the last two years over \$700,000 has been spent on shelter up-grading and provision of hurricane shutters to Government properties. The Department conducted its annual hurricane preparedness exercise in June of this year to give further training to its crews in preparing buildings and facilities in case of a hurricane.

As regard Government offices, construction of additional offices at Broadcasting House were estimated to cost \$459,000. This was commenced in August with completion scheduled for February 1991. New offices for Immigration Department were commenced in May with completion scheduled for February 1991 at estimated cost of \$542,000. This building will complete phase two of a three phase expansion programme for Immigration Department estimated to cost \$910,000.

Work continues on the second floor of the office extension for Public Works. This is scheduled for completion in December, renovation and expansion works are estimated to cost \$602,000 with \$216,541 to be expended in 1990. Also construction works to convert the existing building on Thomas Russell Way into the new home for the National Archives commenced in October 1990. Completion of these works is anticipated in May 1991, at a cost of \$388,000, with \$86,423 being expended in 1990.

On the medical facilities the new Dental Clinic at George Town Hospital broke ground in August 1990, with completion anticipated in May 1991. \$261,208 of the estimated \$808,866 project cost will be spent in 1990.

I have additional information on the Public Works Department but as I note it is 4:30 I could take the break now, Sir.

**MR. PRESIDENT:**

I think the House feels inclined to agree.

### **ADJOURNMENT**

**HON. THOMAS C. JEFFERSON:**  
o'clock tomorrow morning.

Mr. President, I move the adjournment of this House until 10:00

**QUESTION PUT: AGREED.**

**AT 4:30 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M.,  
FRIDAY, 23RD NOVEMBER, 1990.**

**FRIDAY  
23 NOVEMBER, 1990  
10:09 A.M.**

**MR. PRESIDENT:**  
Environment, Recreation and Culture.

Prayers by the Honourable Member for Education,

**PRAYERS**

**HON. BENSON O. EBANKS:**

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 we may be enabled faithfully to perform the responsible duties of our 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 the light of His countenance upon us and give us peace now and always. Amen.

**MR. PRESIDENT:**  
Honourable Second Official Member.

Proceedings of the Assembly are resumed. Papers, the

**PRESENTATION OF PAPERS AND OF REPORTS**

**SECOND INTERIM REPORT OF THE SELECT COMMITTEE  
ON PUBLIC LEGAL DEFENDERS' OFFICE**

**HON. RICHARD W. GROUND:** Mr. President, I beg to lay on the Table of this Honourable House, the Second Interim Report of the Select Committee on Public Legal Defenders.

**MR. PRESIDENT:** So ordered.

**HON. RICHARD W. GROUND:** Mr. President, the Select Committee on Public Legal Defenders was established on the 11 of September, following the passing of Private Member's Motion No. 17/89, which was Moved by the Third Elected Member for West Bay and Seconded by the Elected Member for East End.

The Motion called for a Select Committee, consisting of all the Elected Members and the Second Official Member, to be appointed to determine the need for the establishment of an Office of Public Legal Defender, to defend poor persons certified under The Poor Persons Legal Aid Law, For Defense By Legal Practitioner.

The Committee was established and I was appointed as Chairman; the quorum is seven. When Mr. Franklin Smith resigned he was replaced by Mr. G. Haig Bodden. Since the Committee's establishment three meetings have been held, being Wednesday 29 November 1989, and two this year: 7 February and 31 October.

In accordance with the provisions of Standing Order 72(1), the Committee wishes to report that it has been unable to conclude its deliberation before the end of the 1990 session of the Legislature.

The First Interim Report of your Committee was laid on the Table of this House during the Budget meeting last year, and the Committee has agreed that this be the Second Interim Report.

I might add that though it is not in the Minutes the Committee did have a valuable meeting on the 31st of October, when we met with representatives of the legal profession and the two professional associations. I think some progress has been made on that front.

**MR. W. McKEEVA BUSH:**

Mr. President, before we move on to the next item, can you say

when we will get the Public Accountants Committee's Report on the Auditor General?

**MR. PRESIDENT:** When I have finished studying it. It will not be long I assure you. It is quite a long report and quite detailed. I think probably I should finish over the weekend, so it should be on Monday's Order Paper.

Questions. The Second Elected Member for Cayman Brac and Little Cayman.

### **QUESTIONS TO HONOURABLE MEMBERS DEFERRED QUESTIONS**

**MR. GILBERT A. McLEAN:** Mr. President, this question is directed to the Third Official Member Responsible for Internal and External Affairs.

#### **THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE THIRD OFFICIAL MEMBER RESPONSIBLE FOR INTERNAL AND EXTERNAL AFFAIRS**

**NO.. 194:** Would the honourable Member say what is the diplomatic status between the Cayman Islands and Cuba in terms of trade and air services?

**ANSWER:** As a British Dependent Territory there are no direct diplomatic relations between these Islands and Cuba. Any matters which might arise would be handled by the Foreign and Commonwealth Office acting on our behalf and in full consultation with us.

There are no legal restrictions regarding trade between the Cayman Islands and Cuba. The only restriction relates to rice, sugar and cement, the importation of which is prohibited from a number of countries including Cuba.

Should any matter of scheduled air services arise, this would be handled by the United Kingdom Government acting on our behalf and in full consultation with us.

#### **SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. GILBERT A. McLEAN:** Would the Member say if the exchange of tourists between the Cayman Islands and Cuba, be considered a trade arrangement? Cooperative tourist sharing.

**HON. J. LEMUEL HURLSTON:** Mr. President that is a matter of opinion. I believe that 'trade' is normally categorised as trade involving the exchange the goods and services. Trade involving tourists and passengers could perhaps be included in such a definition, but I do not think it is normally done, Sir.

**MR. GILBERT A. McLEAN:** Would the Member say if it is open to organisations on the Island involved in the business of tourism to make arrangements between persons in the Cayman Islands and those in Cuba, without official approval in the matter?

**HON. J. LEMUEL HURLSTON:** There are no visa requirements for travel into Cuba by persons holding British nationality or British Dependent Territory nationality. The restriction of visas operates only in the reverse direction. That is, persons of Cuban nationality wishing to visit the Cayman Islands do require immigration visas, so that for purposes of travel the only restriction applies in the case of Cuban nationals for example, wishing to visit the Cayman Islands. It does not work the other way around.

**MR. GILBERT A. McLEAN:** Would an arrangement whereby Cuban Airlines or any Cuban registered airline flying regular scheduled service in and out of Cayman, or vice versa, would that require approval of the United Kingdom Government for such an arrangement?

**HON. J. LEMUEL HURLSTON:** That is covered in the last paragraph of the written answer, Sir.

**MR. GILBERT A. McLEAN:** I guess to be more specific, forgive me, you were right. It is covered in the last sentence of your answer. Could then, an arrangement such as has recently been aired in the local press be done without official approval as apparently persons were suggesting it could be done? That is the arrangement between here and Isle of Pines and Cayo Largo?

**HON. J. LEMUEL HURLSTON:** The matter that was locally aired recently, was clarified by a statement issued by the Honourable Member for Tourism, Aviation and Trade, to which I have nothing more to add. That statement was issued which should have clarified the official position in respect of that matter.

**MR. PRESIDENT:** No more supplementaries then. Question 160, the Second Elected Member for Cayman Brac and Little Cayman please.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE FIRST OFFICIAL MEMBER RESPONSIBLE FOR INTERNAL AND EXTERNAL AFFAIRS**

**NO. 160:** Would the honourable Member say if any workers have been laid off since September 1990 from either the Central Funding Scheme, the Public Health or the Public Works Departments and, if so, what has been the cause?

**ANSWER:** In the case of the Central Funding Scheme, a number of redundancies emanated from a critical review of the Department's operations. As a result, six non-Caymanians were laid off and one Caymanian was transferred at his own request. In addition, two Caymanians over age sixty were retired.

At the Environmental Health Office (Public Health) five non-Caymanians were replaced by Caymanians, and two Caymanians were retired on medical grounds.

There were no redundancies at the Public Works Department for the period in question.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. GILBERT A. McLEAN:** Would the Member say if this statement also includes the situation in Cayman Brac?

**HON. J. LEMUEL HURLSTON:** No, this situation is applicable to Grand Cayman only.

**MR. GILBERT A. McLEAN:** Could the Member say if any persons in the same department as in the question, have been laid off in Cayman Brac and Little Cayman?

**HON. J. LEMUEL HURLSTON:** No, however, I could give an undertaking to supply that information in writing to the Member.

**MR. GILBERT A. McLEAN:** That is fine with me. I would like to ask another question. That is, if Government in keeping with the Motion that was passed, perhaps a year ago in this Legislature, regarding allowing persons who had reached the age of retirement to continue to work, where they were willing and able to do so and there were no medical impediments, if that is still in vogue and if it is still being considered, taking into account the shortage of Caymanian labour?

**HON. J. LEMUEL HURLSTON:** Yes, indeed. Following the passage of the Private Member's Motion to which the Member refers, the Government did carefully examine the matter and a circular was issued, copies of which were sent to Members of Parliament, outlining the procedures followed. And yes, that continues to operate wherever the person is willing and medically able to continue and it is considered in the interest of the service - employment beyond the mandatory retirement age is encouraged.

**MR. PRESIDENT:** The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:** May I ask the Member, the two Caymanians over age 60 that were retired, were they in good health and were they daily or monthly workers?

**HON. J. LEMUEL HURLSTON:** These were not monthly workers and I do not have the information as to their medical conditions.

**MR. G. HAIG BODDEN:** Will the Member explain what is meant by 'were retired'? Does this mean they receive a pension or some other payment?

**HON. J. LEMUEL HURLSTON:** It means that they receive whatever retirement benefits that they are entitled to. In the case of ancillary workers who are not permanent and pensionable, their retirement benefits are calculated using a slightly different formula than that of a regular pensioner, and similarly, if they were not entitled to a pension at all. They could otherwise be entitled to severance pay as an alternative. Whatever their entitlements were, such entitlements would be paid.

**MR. PRESIDENT:** The First Elected Member for Bodden Town.

**MR. ROY BODDEN:** Thank-you Mr. President.

We would be grateful to the Honourable Member if he could give an undertaking to provide some information on the health status of these two retired Caymanians. Thank-you.

**HON. J. LEMUEL HURLSTON:** I have given an undertaking in the circular that was issued, that wherever the Government finds it mutually beneficial and subject to the health of the individual, retirement beyond the normal mandatory age is encouraged. I have to, therefore, come to the conclusion that one or more of these conditions have not existed in the case of these two Caymanian officers. Otherwise, the undertaking as earlier described would have operated.

**MR. PRESIDENT:** I think you have not quite dealt with the request, which was to inform the House whether these were medical retirements. I think that was the request. I think it would be proper to give that information, but I do not think individual medical status should be referred to as that would be confidential.

**HON. J. LEMUEL HURLSTON:** Yes. I can give an undertaking to supply Members with a statement of which conditions, in these two cases, were operated or not operated as the case may be.

**MR. G. HAIG BODDEN:** I suppose with that my next question falls away. I was going to ask with regard to those over 60, were they retired because of age or was it a matter of non-performance of duties?

**MR. PRESIDENT:** Your question has been answered I think. Any further supplementaries? In that case we move to item 4, Bills, the Second Reading of the Appropriation Bill continued.

The Honourable Member for Communication and Works, continuing.

## GOVERNMENT BUSINESS

### BILLS

### SECOND READING

#### THE APPROPRIATION (1991) BILL, 1990

(Continuation of debate thereon)

**HON. LINFORD A. PIERSON:** Thank you, Mr. President.

It is the duty and the responsibility of Honourable Members charged with Portfolio responsibilities, especially the Elected Members, to provide public accountability for their stewardship over the current period that the Budget covers, as well as, plans for the country's future; in particular for the ensuing year. It was against this background as to why I took quite a bit of time yesterday to detail the accountability, attainments and accomplishments of the departments within my Portfolio.

At the adjournment yesterday, I had covered in fair detail the economy of the Cayman Islands and I had also made comments on the 9.5 per cent sustained growth in the economy. I also commented on the financial position of Government, the 1990 Revised Budget, as well as, the 1991 Estimates. Comments were also made on the two main sectors of the economy and the healthy growth within these two sectors. That is why specific reference was made to the tourism development in these Islands, as well as, to the growth in the financial sector.

Reference was also made to the provisions made in the Budget to implement the first phase of the Five Year Agricultural Development Plan which sector will hopefully form the basis for the diversification of the economy into a third sector.

The Public Debt was also dealt with in depth when it was pointed out that had Government followed the advice of the Opposition Members in not imposing sufficient revenue measures to cover the recent Civil Service salary award, but had used the reserves or the \$10 million from the reserves as they had recommended at the time, and had subjected the balance to cover this year's deficit as a result of those awards, this Government would certainly have been in a lot of trouble. There would have been no general reserves left. So, I am happy that Government took the bold step to impose the necessary revenue measures to cover those costs.

It was also pointed out that together with the \$11.8 million on our general reserves after transferring the \$7.8 million to the Surplus and Deficit Account, in this connection I showed that Government's ability to service its public debt is beyond any doubt.

Having covered in detail the general aspects of the Budget, I proceeded to speak more specifically to the Budget as it relates to the departments under my Portfolio. Much attention, was given to detailing the work carried out by the Public Works Department during this financial year. Those details were given mainly to highlight the number of Government projects, not only from my Portfolio but for other Portfolios that were completed during the year, and how I wish to continue in the future on a similar vein.

Accordingly, I now wish to continue by briefly making reference to some of the other attainments of Public Works during 1990, which also involved other Government Departments and Portfolios. I will then touch on plans for future projects before dealing with a matter which is perhaps the most



topical or controversial subject today, and that is whether or not Government has any plans to relieve the increasing congestion on our roads.

The Public Works Department as I said yesterday is not perfect; much needs to be done. I think that in my debate yesterday, I demonstrated that despite some of the weaknesses in that department, like many other Government departments, much has been accomplished.

In addition to the facilities which I mentioned yesterday, the Public Works has also been involved in construction with the Medical Department and others. Within the Medical Department the new Dental Clinic at George Town Hospital broke ground in August, 1990, with completion anticipated in May, 1991.

At the prison, work on the extension to the female cell block providing 10 new cells, office reception and day room commenced in July, 1990.

As regard to sports centres, playing fields and parks, the lighting of the track and field at the George Town Sports Complex is under way with completion scheduled for December, 1990.

Nineteen sets of 50-seater aluminum bleachers are currently being assembled and distributed to the North Side, East End and Bodden Town districts.

At the new West Bay Sports Complex, eight sets of 180-seater aluminum bleachers were erected at a cost of \$26,000. On an ongoing programme to upgrade district open spaces, picnic benches and park stoves were provided at 13 locations around the Island.

Work also commenced in May, 1990, and was completed in two and a half months on the construction of the Communications Bunker at Northward. It is my intention, to go in a little bit more detail on Government communications systems.

Harbours and docks: The Whitehall Bay jetty facility was completed in early 1990, and works to reconstruct a launching raft at Morgan's Harbour have just commenced, with completion estimated by early December. Construction of a 100-foot jetty at Newlands will commence within two weeks, with completion estimated in January, 1991.

While I have not taken any time here to speak on the attainments and activities of the Public Works in Cayman Brac, this was specifically done because this is a subject for the Honourable Member the Administrative Secretary. I would point out here that, as in the past, the Public Works Department in Grand Cayman is ready and willing to provide any technical or other support that it may be called upon to give.

Expansion of the Central Police Station storage also took place. There are a number of others, but I think I have made my point. I would now look at some future projects.

Future projects presently under preparation by the architect's section include the following: the West Bay Infant School phase II; New Infant Primary School in George Town; Cayman Brac High School (6th-Form Centre); Cayman Brac Teacher's Centre; Central Police Station Expansion and Refurbishment; the Sub-Post Office North Side; Extension to Cayman Brac Government Administration Building; Northward Prison (male cell-block 3); Northward Prison (female cell-block) phase III; and the Immigration Department (existing office refurbishment).

Based upon current information, the Department is actively involved in designing and constructing an estimated \$71.9 million in existing and new projects for Government. This excludes statutory authority projects.

The approved Budget for existing projects involving Public Works Department was \$15.5 million in 1990. The Department also expects to spend \$9.74 million toward these projects in 1990. In addition, the Department's recurrent responsibilities approved at \$4 million, are expected to cost \$5.18 million in 1990. This total financial involvement of over \$14.9 million in 1990, has created the most active year in the history of the Public Works Department.

As mentioned, because of the number of questions not only in this Honourable House, but from members of the public which I have been asked regarding the road plans and the demise of the MGTP and the Jennett Street Plan, I have commissioned a new study to look into the implementation of the plan proposal and also I am in the process of appointing a Steering Committee for the Cayman Road Improvement Plan Study. In this connection I will be giving a little bit more detail on the rationale behind the appointing of the Steering Committee.

As a basis for the new Cayman Roads Improvement Plan Study, it was felt necessary that an implementation plan to develop such a system was most necessary. It was recognised that the western districts of Grand Cayman, Bodden Town, George Town and West Bay have experienced increasing traffic congestion over the past 10 years. A study was commissioned by Government in 1987, to develop a plan to guide the development of the road sector. The resulting plan called: The Master Ground Transportation Plan, (MGTP), was accepted by Government, and its immediate recommendations were implemented.

This plan subsequently lost Legislative support, culminating with the revocation in June 1990, of the preserved road corridors. As a result, there is currently no plan in place to alleviate the growing congestion and to guide the develop of the road sector.

It is my intention to again attempt to have a proper road system in these Islands. It is proposed to again attempt to develop such a plan, utilising the data from the previous study as far as possible, but enabling Legislators and the public to have full input.

This is not to say that this was not done during the study carried out on the MGTP. Because, even though this was carried out in the year 1987, when I sat on the Backbench, I can recall that the Member in charge then did arrange for a number of public meetings to be held, in order to inform the

public and Members of the Legislative Assembly, about the plans and implementation processes for the MGTP.

The Cayman Road Improvement Plan Study, is hoped to represent the aims and aspirations of the present, and not merely to be a revision of the previous plan. In order to properly understand the whole rationale behind the thinking and the process, one needs to look a little way back into the background especially relating to the road transportation sector.

The Cayman Islands and Grand Cayman in particular has never had a development or improvement plan for the road sector. The last major capital investment in the main roads of the network, was the upgrading of the surfaces from the mid-70s to the early 1980s. This work substantially improved the riding quality of the main roads, reduced the maintenance demands and also played a part in facilitating the rapid economic growth which Cayman in particular has experienced.

Since those improvements were carried out, the main areas of investment in this sector have been in the upgrading of residential roads, generally created by private developers and in minor improvements aimed at alleviating traffic congestion or safety problems. Development over the past 15 years has consumed the capacity and the physical life of most main roads in the western portion of Grand Cayman, with most now experiencing congestion and facing the need for major repair or construction.

It must be borne in mind that the road transportation sector is not totally an expenditure item. That sector, indeed, could be regarded as self-financing. The sector continues to produce substantial surplus revenues, and it was estimated in 1988, that the surplus figure was some \$3.5 million.

These funds have been appropriated and dispersed through the Government Centralised Budgetary System. No funds currently exist to even partly meet the cost of the improvements which are obviously needed.

Unless a comprehensive plan is developed and implemented, the quality of service provided by the sector will continue to deteriorate. The opportunities and costs of improvement will be reduced and increased respectively, by physical development; the national economy and the quality of life will ultimately suffer.

No one is perfect - no plan is perfect. There are certain lessons that can be learned from the MGTP. The MGTP study was carried out as I said, from mid-1987 to early 1988. Substantial opportunity was afforded for input from all areas of the community; legislators; public officers; private organisations and individuals.

The fact that the study and its final report which had been tabled in the Legislative Assembly in May 1988, did not receive unfavorable attention during the 1988 general elections, is perhaps the best indicator of how the exercise had been received.

At the same time, the final report, though providing basic costing information, did not deal with how the recommended projects should be funded. This was in no way an oversight but rather, represented a view that those considerations should have been made with inservice resources, and would require considerable time to reach a consensus.

While substantial work was done in this area in early 1989, the effort never enjoyed the benefit of the broad consultation which had served the study so well.

In turn no consensus was ever achieved on the funding issue, and it became an Achilles' heel of the whole effort. In addition, it is perhaps fair to say that the MGTP was by some legislators destroyed, with other major projects proposed by Government which compared only in overall cost but not in documented benefits.

Ultimately, the political balance was swayed and the plan was defeated. However, all legislators both Government and Opposition, cannot lose sight of the importance of the needs of the sector and of being seen as being committed to developing plans to meet those needs.

How do we go about developing the Cayman Roads Improvement Plan? There are two alternative courses of action which can be followed to develop a new plan. They are: 1. to revise the existing plan; or 2. to develop a brand new plan. While it may instinctively appear simpler and more economical to revise the former MGTP plan, a number of factors must be recognised immediately before such a judgment is made:

- (a) Any revision effort will require similar skills to those used to create the plan.
- (b) For objectivity, any such revision should be carried out by a firm other than the previous firms.
- (c) Individual firms, as do individual persons, generally have different approaches to problems; and
- (d) The membership of the Legislature is substantially different now from the 1984-88 membership.

While much of the data gathered for the previous study will be of value to a new exercise, it is suggested that in order to re-mobilise broad public and political participation, a new effort should be launched, free of any obligations to the previous study. This participation is undoubtedly a prerequisite to corresponding support.

To direct this effort it is necessary that a new Steering Committee be appointed. Like the former study, any new effort would be carried out under the policy direction of the Portfolio for Communication, Works, and Agriculture. The Public Works Department would manage the effort,

that is, administratively and technically.

In order to ensure that the effort receives broad based direction, it is proposed that a steering committee should be appointed. Unlike the former Steering Committee, it is proposed that the composition should not be limited to public officers, but should also include legislators and representatives of private sector organisations. In this way, these important elements of the community will be intimately involved in the deliberations and the decisions of the exercise, and a renewed air of openness will be created.

The Steering Committee will be appointed by my Portfolio; Communication, Works and Agriculture and will report to the Portfolio, through the Chairman, even though I intend to be a member of that committee. The Portfolio will reserve the right to have any representative from that Portfolio attend as an observer.

The function of the Steering Committee will be to provide by consensus, reaction and advice to the consultants in order to help ensure that the resultant plan is politically acceptable, as well as, technically sound. The Portfolio will retain, however, accountability for the exercise on behalf of Government and hence, the right to reject or override the committee's advice.

It is also intended out of the \$300,000 provided in the 1991 Budget, to engage the services of consultants; this was alluded to earlier. It will be necessary to engage appropriately qualified consultants from the transportation planning field. The firms which were utilised for the previous exercise, will be excluded for the reasons given.

The cost of engaging these consultants is estimated to be \$215,000 of the projected \$300,000 being requested in the 1991 Budget. The procurement of the consultants will be managed by the Public Works Department, involving the Central Tenders Committee as per the Finance and Stores Regulations, in consultation with the Steering Committee.

What will be the objectives and scope of the study?

Before touching on the objectives and scope, I would just briefly mention that the proposed Steering Committee will include: The Honourable Member for Tourism, as a Government appointee; Capt. Mabry Kirkconnell (this is the proposed, this has not yet received final approval by Executive Council). It is also proposed to have two Members of the Backbench Opposition. I have written to all Members of the Legislative Assembly, and hope that I will soon get a reply, as I am hoping to set up this committee as soon as I hear from them.

As I mentioned, it is also intended to have the First Elected Member for Cayman Brac and Little Cayman as one of Government's appointees; Capt. Mabry Kirkconnell. We will have a representative from the Chamber of Commerce; representatives from the Cayman Society of Architects, Surveyors and Engineers (CASE); from the Contractor's Association; from the Heavy Equipment Owner's Association (HEVO); from the Central Planning Authority (CPA); from the Planning Department; from the Lands and Survey Department; from the Portfolio for Finance and Development and the Chief Engineer, Public Works will be its Chairman.

It is not going to be an easy task, like the MGTP it will require a lot of time, skill and effort. This study will require a broad and regular series of consultations and exchanges with legislators, public officials, private groups and the general public. It is of fundamental importance that legislators are always scheduled first in each round of these consultations; this will be adhered to.

Likewise, if the study is to be kept as apolitical as possible, such consultations should be open to all legislators and not split into sessions for Government Members and non-Government Members. Thus the reason for asking the Backbench Members to select two from amongst their group. The normal structure and process of Government will obviously apply in respect to decisions to be made during the study, and in respect to its final recommendations.

This Government remains committed to the realisation of an appropriate plan for the road sector, and is confident that there is broad public support for again addressing the issue. When I refer to the Cayman Road Improvement Plan Study, I include the necessary work needed on Jennett Street.

At this point in time, we are considering getting an access into or an outlet into the Shedden Road area, as the land into Mary Street is proving prohibitively expensive. Even an access into Shedden Road will relieve the pressure that is created on that street, especially during the peak hours, and especially since all the major offices have opened up in that area. I am happy to say that I have met personally with most of the proprietors and business people in that area, and that I have received agreements that they will be prepared to assist with the building of the road in whatever way possible.

So, it is not that these individuals are sitting back expecting Government to do everything. These businessmen from C.I.B.C. and other areas, from Ansbacher Ltd., and from insurance companies are all willing to assist Government where possible. In that connection I have also commissioned the Lands and Survey Department to carry out a study of the lands that may have to be either voluntarily or compulsorily acquired.

In light of the background given on the proposals, the effort will of necessity require the consultants to: a) make themselves fully familiar with the previous study including methodologies and recommendations; and b) participate in regular and extensive discussions with legislators, organised groups and the general public, to ensure mutual understanding and public acceptance.

It is proposed that once the funds have been approved and consultants have been appointed, they will commence their study within 30 days after the signing of the agreement. It is also anticipated that the final report from the consultants should be available within 8 months of the commencement date.

It should be clearly understood, and I cannot over emphasise the objectives of this Cayman Road Improvement Plan Study because it will cost some money, there is no question about that. Legislators can start thinking about it now; we cannot have our cake and eat it too. I continually get calls and see letters in the paper about the conditions of our roads. Much of this could have been alleviated at this time had the MGTP not been fully killed.

Regardless of that (that is history), I am still moving forward and I am calling on each Member of this Honourable House today, to think about this. If we are to alleviate the growing traffic congestion on our roads, then we must put our hearts and heads together, and honestly approach the problem. Let us take politics out of this and let us as representatives do what is best for the country.

The purpose of the Cayman Road Improvement Plan Study is to recommend improvements in the existing road system on Grand Cayman, and to formulate a coordinative programme for road development.

The study will provide a detailed programme of economically prioritised projects and a corresponding Transport Investment Schedule for 1991-95; appropriate physical plans to allow timely land acquisitions necessary for these projects and a prospective programme of road transport projects for years in the future, that is 1996-2000, with corresponding approximate investment schedules and primary justifying factors.

Also, recommendations for the improvements of the operation, planning and management of the Road Transportation Mode, including specific recommendations to enable an annual updating of the Five-Year Investment Programme and recommendations for the improvement of Government transport policies and legislation. Especially policies for effective transport coordination.

In summary, there is no question that the need for a plan to guide the development of the road transportation sector exists. Further, any such plan must have broad political and public support. Dialogue is essential to achieving such a plan. There will be a need for compromises both within the political arena or sector, and between it in the technical sector.

In turn, the resultant plan may be both less financially demanding and serve a shorter period than the previous plan. What is important for Grand Cayman is that a plan be developed in order to capitalise now on the ever-decreasing opportunities to solve the ever-increasing problems.

**MR. PRESIDENT:**

We might conveniently break there?

**HON. LINFORD A. PIERSON:**

Thank-you Sir.

**MR. PRESIDENT:**

Proceedings are suspended for fifteen minutes.

#### AT 11:16 A.M. THE HOUSE SUSPENDED

#### HOUSE RESUMED AT 11:41 A.M.

**MR. PRESIDENT:**

Communications and Works, continuing.

Proceedings are resumed. The Honourable Member for

**HON. LINFORD A. PIERSON:**

Thank-you Mr. President.

Having covered in some detail the attainments and accomplishments of the Public Works Department, I would now wish to turn to the Planning Department. Later on I have a few more words to say about the Agricultural Department.

The Planning Department has never been boring and this past year was no exception. During the first half of 1990, the Central Planning Authority approved 327 applications for a value of \$95 million.

This activity compares to 347 applications with a value of \$62 million for the first half of 1989. Such numbers show the continuation of a trend two years past of fewer but more expensive developments being proposed.

Substantial projects approved include: phase II of Britannia; continuation of Morritt's Tortuga Club; The Regency Club on South Church Street and The Palms on West Bay Road.

Several projects which were approved in 1989 began construction this year. These include: The Commercial Centre at Safe Haven; Harbour Centre on North Church Street and Ansbacher on Jennett Street.

Review and monitoring of these projects are more than enough to keep the Planning Department staff fully occupied. Nevertheless, staff were able to apply their expertise to efforts which will have a more profound effect of development in Cayman. In concert with the Legal Department, the Planning Department has reviewed the Development and Planning Law, identifying areas which needlessly hamper the Planning Department and public alike. I am expecting a report of their findings by the first of the year, which I will share with this House.

In addition, the Development and Planning Regulations have been under scrutiny by the Planning Department, and the Central Planning Authority. Among the recommendations for amendments: a more concise definition for the Beach Resort Residential Zone; standards for signs and a regulation which allows the use of Tree Preservation Orders. It is anticipated that these measures will remove ambiguities from the Law and Regulations, and result in an even greater efficiency in guiding, processing

and monitoring development.

Only a few weeks ago I gave the Director of Planning instructions to develop a work programme for a complete review of the Development Plan of 1977. I am anxiously awaiting that programme which I expect before the end of the this year.

Code enforcement is playing a more important role than ever before. The amendments providing for the use of Stop Orders and the increase in penalties have improved the tools available for the Central Planning Authority.

To complement those tools, the Planning Department has dedicated one full-time officer to code enforcement. In addition, procedures are being institutionalised and a tracking system developed. This effort has already resulted in an increase in the numerous applications resulting from code enforcement. Systematic code enforcement efforts are currently underway and the Central Planning Authority has expressed their appreciation for the increased efforts.

The process of developing Cayman's first Building Code has been protracted and difficult. A sub-committee of the Building Code Committee has been meeting regularly since May, to correct any problem areas. This sub-committee is nearing the end of its task and will be submitting a revised draft to my office in early 1991.

To complement the expected Building Code, the Building Control Unit has added an inspector and continues the training of all inspectors. These efforts ensure that construction standards in the Cayman Islands will not deteriorate. Efforts are currently underway to review the codes currently used to ensure that these are still valid. Executive Council is presently considering amending the Electricity Regulations, to adopt the most current edition of the National Electric Code.

A true highlight of the Planning Department's efforts to serve the Cayman Islands, is the training programme currently being implemented. The Planning Department is training staff in such basic essentials as: dealing with the public and telephone etiquette. In addition, planners are being encouraged to expand their skills through an in-house training programme, as well as attendance at workshops sponsored by The American Institute of Certified Planners.

The training of Building Control Unit staff began a new era this year. The Unit is currently in the process of certifying all of their inspectors. An agreement with the Southern Building Code Congress International has opened the door for courses and certifying exams to be given here in Grand Cayman. This step reduced the number of trips which Building Control Unit staff must take to the United States for training and certification.

This agreement has an unexpected windfall. Indications are that the private sector is interested in taking advantage of the courses that are being offered, as well. A limited course schedule was offered this fall with excellent results. Another schedule is being developed for next year, with the expectation that the private sector will be able to participate fully.

The training of Caymanians for key positions in the Planning Department continued in 1990. The highlight of this programme was the return of Mr. Carson Ebanks, who is currently serving as a supernumerary to the Director of Planning. Mr. Ebanks will assume full duties as Director of Planning in the autumn of 1991.

Mr. Kenneth Ebanks completed his third year at the University of Waterloo, in Waterloo, Canada. He is expected to return to the Department with a Bachelor's Degree in June 1991.

The Assistant Chief Building Control Officer, Mr. McCleary Frederick, began a three-year course in Construction Technology at Texas A & M. Mr. Frederick's training will allow him to assume the duties of the Chief Building Control Officer in the future.

All in all, the year 1990, was a productive one for the Planning Department, and 1991 will be just as fruitful.

And now I wish to move to another department of my Portfolio, which is The Lands and Survey Department. The year 1990, saw a levelling off in the volume of land transactions towards the end of the year. The result of this was that the total volume of work process is estimated to be much the same as the previous year. Approval was obtained from the Computer Steering Committee to the detailed Land Information System Proposals and so paves the way for electronic data management of land registry and mapping activities in the foreseeable future. This will ultimately lead to a greater efficiency, not only in the land registration and mapping, but in all land and property management issues within the three Islands.

Land valuations and acquisitions have ranged over all three Islands throughout the year, consolidating Government's holdings and increasing the facilities for the general public. The Cayman Brac office continued to provide both registry and surveying services to Cayman Brac and Little Cayman.

While the Department has not undertaken any major capital projects during 1990, considerable resources have been channelled into training, by establishing training cadres run by departmental personnel for departmental staff and article trainee attorneys. One member of staff is currently on a full-time overseas training course and preparations are underway to send two more Caymanians from the Department overseas in 1991.

Just for information on the activities of this Department, a total number of documents processed up to the end of October during 1990, was 6,119.

The next piece of information is somewhat disturbing, and that is that the total amount of Stamp Duty collected at the end of the same period, October 1990, was \$9,946,000. This is disturbing because it has fallen much below the estimated revenue that was expected to be collected. This is what I alluded to yesterday; that more vigorous and efficient measures will be taken to strengthen the Law wherever it may be weak, in order to assist in the collection of revenue that is due to Government from revenue stamps.

The Lands and Survey Department reflected about a 6 per cent drop on the amount of transfers compared to last year. The value of land sold up to October 1990, was approximately \$106 million.

There is no doubt that these departments have been working very, very hard and I am very grateful to all of them for their support and loyalty in assisting the Portfolio thus far. I now wish to move to the Department for Mosquito Research and Control.

The Mosquito Research and Control Unit has been actively following up the recommendations of the very successful International Symposium on Mosquito Control held in Grand Cayman in September. The Symposium reviewed MRCU's plans to combat insecticide resistance by: 1. improving physical control, with the construction of a system of minor ditches linking mangrove breeding sites to the main canals; and 2. increasing the use of the residual Larvicide Altocid. These plans were generally approved by the visiting specialists, but they advised a pilot project for the ditching before expensive machinery was purchased. For the pilot project several small sections of swamp have been chosen. The known breeding sites are now being mapped.

Early in January, ditches will be dug to link these sites to the canal system. The reduction in mosquito breeding will then be assessed by artificially flooding the areas if no natural flooding occurs. It is hoped that a decision can be made before mid-1991, on whether to purchase a machine to continue the ditching. The Florida Mosquito Control people have offered assistance in obtaining a suitable machine at a relatively low cost.

Further stocks of Larvicide Altocid have been purchased with the supplementary funds recently approved by this House. The system of delineating breeding sites by detecting mosquito eggs in mangrove mud, as demonstrated by one of the Symposium participants, will be used next year to try to limit the areas treated with Larvicide in order to reduce the usage of this very expensive material.

Meanwhile, aerial treatment with insecticides is still required, and much successful spraying has been done throughout the year with the synthetic Pyrethroid Tridneen Talstar, which is still very effective. However, from October, MRCU has switched to the less effective Resmethrin due to the fear that Bifenthrin resistance will develop. The much cheaper Diebrom has not been used since the end of 1989, and is hoped that resistance will have fallen off sufficiently to be able to return to it in the first half of 1991.

For the mosquito season of 1991, it is planned to greatly reduce emergence, by large scale application of Altocid, while experimenting with any new Larvicide that may become available. Then the very effective insecticide Bifenthrin, will be brought back into use to vigorously attack any adult mosquitoes that have escaped the Larviciding. An improvement of the mosquito situation by the ditching project would not be felt until 1992, at the earliest.

I now wish to move on to the subject of the Government Telecommunication System. On 8 February this year, Government entered into a contract with Motorola Incorporated of the United States, to supply a new five-channel, 800 megahertz SmartNet Trunking Communication System. The idea for this type of network evolved after it was discovered during Hurricane Gilbert that the existing Government radio system was incapable of supporting emergency communications between the various Government departments. The value of the contract was \$2.3 million for the Grand Cayman system. To accommodate the works that have been built at the Northward Prison, a telecommunications bunker was constructed next to the existing communications tower. The cost of the bunker was \$205,000.

On 4 April of this year, Government entered into a supplemental contract with Motorola to supply a smaller version of this system called SmartWorks, for Cayman Brac and Little Cayman. The value of this contract was \$150,831. All Government radios were replaced with new models. There was no compatibility with the old radios. In total this amount came to 410 base stations, mobiles and portables.

The Police and Fire Departments received new state-of-the-art control consoles. One of the functions available at the new consoles, will allow any user of the Government communication system to contact the police or fire control centres in case of an emergency.

In a national emergency there is a feature that will allow any radio in the system to be electronically grouped with any other radio. This will allow interdepartmental communications that were previously impossible.

To support the vast capabilities of this advanced network, the infrastructure to maintain island-wide communications was centrally sited at the Northward Prison. This equipment includes the 'brain' of the system; the central controller, which via computer guidance, directs the five radio channels to accommodate all voice traffic and data messages.

These five channels are then combined into a special antenna system. To connect the police and fire control consoles to the prime site at Northward, a microwave sub-system was procured. This capability provides for a dedicated Government link to ensure that the communications are maintained even in the event that the domestic telephone network becomes rendered inoperative.

In a national emergency, should the country be cut off from the global telephone network, high-frequency single side band equipment was installed at both the police and fire control centre consoles.

In addition, similar high-frequency single side band equipment was installed on Cayman Brac at the police station and at the Aston Rutty Centre. This will allow long distance communication not only between the Islands, but also to any point in the Caribbean and beyond including London.

Speaking of Cayman Brac, the supplemental contract for the Brac and Little Cayman included a three-channel infrastructure with a new prefabricated telecommunications building and a new 100-foot high communications tower. Although, I have to agree with the representatives of Cayman Brac and Little Cayman that, aesthetically, the building is not very pleasing. But functionally, it is standard

equipment that was recommended by Motorola and used all over the world. In addition, a total of 40 mobile and portable radios were supplied, along with the base stations in Cayman Brac.

To manage the system on Grand Cayman, a host of computers have been supplied to facilitate this requirement. Due to the nature of the integrated network Government has acquired, it is necessary to use these management tools to maximise the efficiency of the communication system.

In addition, certain computer programmes can be activated during emergency situations to implement national disaster plans. It should be noted that the various Government Departments have never had a reliable paging system. Part of the system includes 120 beeper units on a new island-wide paging system. The hospital will use the majority of beepers through a special telephone-radio link. In addition, the police and fire control centres can activate any pager in the system through their consoles.

With regard to the marine section, to enhance the marine radio system, there are two dedicated VHF stations available to the police and fire control consoles. One station is fixed on the International Calling and Distress Frequency known as 'Channel 16', and the other station can be selected on eight of the most commonly used marine channels. The coverage from the Northward tower now extends to Little Cayman and Cayman Brac.

A part of the contract amount was for services. These include: installation supervision; technical training; system integration and system testing; project management and engineering, and local services. Local services include: local installation of contract materials, meaning everything from the mobile radio in a vehicle, to the console equipment; the complete infrastructure microwave system; all antenna and tower work and so forth.

At this time virtually all equipment is installed and operating on Grand Cayman. Except for the police, all of the Government departments are using the system. The police should be operational by 1 December. The paging system has been delayed and is expected to be installed by 1 January next year.

On Cayman Brac the antenna system is being adjusted to allow for island-wide coverage. The Brac's system should be operational by 1 January 1991.

There are other departments or authorities for which I have responsibility such as; The Water Authority; The Port Authority and The Central Funding Scheme, but I intend, God-willing, to report in detail on those units in the Debate of the Throne Speech next year.

I have endeavoured to cover, as comprehensively as I could, the 1990 Revised Budget and the 1991 Estimates. I have dealt with the various sectors as relevantly as possible and I have endeavored not to tediously repeat myself.

I wish to thank all Members of this Honourable House for their cooperation with my Portfolio during this year. In particular, I wish to acknowledge the very kind compliments that have been given to my Portfolio, particularly the Public Works Department by the First Elected Member for Bodden Town.

As stated, I thank all Members generally because it is known that I am able to communicate without any problem with all Backbenchers. That is not to say that if I have to speak against something, that they may say that I will not do so. I expect that as good Opposition they will do the same.

I also wish to thank the hard working staff in my Portfolio for the amount of work that has been carried out, which has rendered the Portfolio one of the most dynamic in Government.

I said earlier, I believe that this Government is able and willing to continue to steer the good ship Cayman safely through any rough waters, whether those waters are created by an impending recession in the United States, or otherwise. I think that we have the ability in Government to cope as efficiently with those problems as possible. We know that we have a lot of support out there. Our support is not as vocal as some others, but we wish to refer to them as the 'silent majority'. They are aware of the accomplishments of this Government, it is quite evident. But, they also appreciate that we cannot, like any other previous Government perform miracles; we can only do our best.

Despite the gloom and doom debates by some of the Opposition Members, the Cayman people know that they have a good Government. I personally believe in the mirror test and that is, all that matters is if you can look in the mirror and honestly tell the person you see, that you have done your best.

In winding up, I said earlier that I regard the Budget as a good one. Accordingly, I recommend that all Members of this Honourable House, give their unanimous support to the Appropriation (1991) Law, 1990, to appropriate certain expenditures for the services of the financial year 1991. I thank you, Sir.

**MR. PRESIDENT:**

The Third Elected Member for West Bay.

**MR. JOHN D. JEFFERSON, JR.:**

Mr. President, I rise also to add my congratulations to the Financial Secretary on the able Budget Address, with respect to the 1991 Budget. I found the presentation simple, clear and very informative. But, despite those accolades for the Financial Secretary, the position as reflected by that address is not a very rosy one, indeed.

The Member for Communication and Works started his address by first of all accusing the Financial Secretary of presenting or slanting the Address and the financial statements in such a way, as to let the present Government look bad.

I think if there is one thing that the Members of this House and the Members of the total public recognise and appreciate, is the integrity, objectivity and competence of the

present Financial Secretary.

Regardless of these accusations, and if you are anyone with any ability whatsoever in dealing with the figures or facts as presented in this 1991 Budget, the position is a very deplorable position. The reason why I say that, is in response to a Parliamentary question by the Second Elected Member for Bodden Town in the June sitting. I will read the question and will also read the answer and then reflect the present position, so that Members of this House and the public can see the drastic deterioration in our financial position in such a short period of time.

The question is addressed to the Honourable First Official Member responsible for Finance and Development and reads as follows:

"Would the Honourable Member say:

- (a) What was Government's Surplus Revenue at the end of May 1990?; and
- (b) What was the Reserve at the end of May 1990?"

The answer Mr. President:

- "(a) Government's Surplus Revenue at the end of May 1990, was approximately C.I. \$15,791,000; and
- (b) The Reserve at the end of May 1990, was approximately C.I. \$18,860,000."

When you add those two figures together, you are talking about approximately \$34,651,000; a very healthy financial position, indeed. When you compare that with the present situation or position, as is reflected at the end of the year 1990, it shows a drastic change or drastic deterioration in our financial position.

At the end of December 1990, it is projected that the deficit for the year 1990, will amount to an excess of \$18 million. That is before taking into consideration the \$11 million surplus that was brought forward from the year 1989, which I must contend I think was only made possible by the prudence of a former Government and the control of public funds by the elected representatives of the people.

What is appalling is the fact that if this Government had not raided the reserves of this country to the sum of \$7.8 million, that the accounts at the end of 1990, would have reflected a \$6.5 million deficit.

When you compare that with a healthy financial position at the end of May of \$34,651,000 in surplus and reserves, in my opinion it is an indictment against the present Government, and it reflects their inability to run the financial affairs of this country.

The Member for Communication and Works also tried to dissipate public debt. The Address plainly states that public debt at the end of 1990, will amount to approximately \$30.5 million. It is irrelevant that a portion of this debt relates to statutory authorities of Government. At the end of the day, if these authorities are not in a financial position to service those obligations, they remain the ultimate responsibility and obligation of the present Government. He tried to create the impression that the only real obligation Government has is the \$6.7 million. That is an attempt, I think, to confuse the members of the general public.

Now, in the 1991 Budget that is projected, there is a \$274,034 estimated balance or surplus. But when you examine the details of the Budget, you get the real position. The real position is this, that the present financial position of Government is so bad that estimated local revenue is insufficient to cover recurrent expenditure for the year plus new services. When you compare that with over \$14 million that was projected to be in excess of Recurrent Expenditure in the 1990 Budget which we approved last year, we are faced with a startling reality; that is that the present Government, through its mismanagement, is virtually broke.

What is disheartening is that all of the capital projects proposed for 1991, are only going to be possible if Government can secure borrowing to the tune of \$13 million. When you compare that with the borrowings which were necessary for the 1990 Budget to be balanced, of only \$3.9 million, it also again reflects the mismanagement of the present Government.

What is pathetic is that the present Government keeps referring to the past and other Governments, rather than taking the approach of "we have a problem, let us arrive at some positive solutions."

The same Member, the Member for Communication and Works, mentioned that the 1984 Government, the Government which left office at the end of October 1984, after they lost the election, left Government in a bankrupt financial position.

The facts do not reflect those statements. And, what is amusing, is that the information I am about to state or read, came about as a result of a question by the same Member when he was sitting on the Backbench, when he was a friend of the past Government.

That Member, who then was the Second Elected Member for George Town, asked the same Member for Finance and Development the following question:

"In view of the conflicting versions given of the financial position of Government as of 31



October 1984, would the Member state the current balances at that date?"

That date means 31 October 1984. The answer:

"The current balances of Government's financial position as of 31 October 1984, were as follows:

- (a) General Reserves of C.I. \$10,320,644;
- (b) Surplus Balance \$891,510;
- (c) Public Debt \$8,587,922;
- (d) Self-financing Debt \$2,760,444;
- (e) Loans to Government \$10,920,000;
- (f) Bank Overdraft \$3,555,372; and
- (g) Amount due from Caribbean Development Bank of \$3,148,840."

What this reflects is that Reserves and Surplus amounted to \$10,924,154, compared to Public Debt of \$11,348,366. So, at that position if Government was called upon to liquidate all of its debt obligations it would probably have been short of about \$1 million. That, in my mind, is a very healthy financial position, indeed. It shows that the Government of the day was not only capable, but was prudent, with regard to its financial affairs.

The causes for the current financial position, I think is contrary to what the Member for Health and Social Services had to say, and which the Member for Communication and Works got wound up or conflicted in also trying to portray. They tried to say that the present financial position and a slowdown in the economy is intentional and is a direct result of measures taken by Government. Nothing, in my opinion, could be further from the truth.

Then the Member for Health also went on to say, he also contradicted himself, he said it was a result of Government measures. Then he tried to blame the Backbench; he said that the reason for the slowdown was because of marches and trips to London. Let me assure you, and the Members of this House, and the members of the public at large. In any democratic society people from the outside do not become concerned when they see the people standing up for democratic principles in order to retain their democratic way of life.

That is healthy. This is what brought down the Berlin Wall. This is what caused the collapse of the Communist empire; people having the guts to stand up for individual freedoms and democracy. And I can assure you that the Members of the Backbench, as long as we are here, will take part in any activity along those lines, because we appreciate the freedom and democracy that these Islands have enjoyed for so very long.

I would like to throw out a few ideas why I believe the economy is slowing down. The first, is Motion No. 9/90 which was passed in the summer by the Elected Members of Executive Council in order to obtain control of the Finance Committee, so that they would be in a position to spend and have funds available for their grandiose projects, such as the MGTP and the expensive two-sided hospital.

I believe that the slowdown has also come about because control of public funds has been removed from the control of a majority of Elected Members or representatives to a minority Government, who controls the three Official Members on their collective responsibility. This is a very unhealthy position and one that sends alarming signals to people on the outside, who have known the Cayman Islands for so very long, and have respected them for the position and political stability that they have enjoyed.

Another point that I would like to throw out as one of the possibilities for the slowdown that is projected, is that Saddam Hussein is getting a lot of blame right now for things that he might have some cause for happening, but he is not to bear the total blame.

I believe that the wrong signals have gone out, as a result of the present Elected Members of Government losing their majority in this House and refusing to step down as they should. But rather than doing that, binding the Official Members in order for them to remain in power.

I respect people like Margaret Thatcher, who is the head of the Parliamentary system that we follow and emulate. When she discovered that she did not have the support of the majority of even her Party, she was woman enough to say "in the interest of the Party and in the welfare of Great Britain, I am woman enough to stand down and let somebody else run the show." That is the position that the present Government should have taken when they lost their majority and when they lost their Budget, in 1990. They talk out of both sides of their mouths. They praise the democratic or Parliamentary system, and then on the other hand, they refuse to ensure its workings by trying to remain in power against the wishes of a majority of Elected Members of this House, and contrary to the Member for Communication and Works, a majority of the general public. They do not have any support out there.

This was very evident, the Second Elected Member for West Bay, in his attempt to bridle the First Elected Member for West Bay, through a motion got 182 signatures a paltry...

**MR. PRESIDENT:** Could I interrupt a moment? I did not quite catch the verb in that statement. The Second Elected Member for West Bay did what to the First Elected Member?

**MR. JOHN D. JEFFERSON, JR.:** Tried to bridle him.... I said bridle him.

**MR. PRESIDENT:** Sorry, I thought you said something else. Thank-you. Would it be convenient to break now for lunch?

**MR. JOHN D. JEFFERSON, JR.:** Yes.

**MR. PRESIDENT:** Proceedings are suspended until a quarter past two.

**AT 12:48 P.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 2:26 P.M.**

**MR. PRESIDENT:** Proceedings are resumed, the Third Elected Member for West Bay continuing.

**MR. JOHN D. JEFFERSON, JR.:** Mr. President, before we took the lunch break, I was dealing with some of the causes in my opinion, for the sad state of affairs that we are now faced with in this country. I ended on the point that I felt the present situation has been aggravated by the present Government, who finds itself in a minority position, attempting to remain in power after it had lost the support of a majority of the Elected Members of this House and the support of the majority of the general public.

I feel personally, that this has caused an image or an impression of political instability as far as the foreign investor is concerned. I refuted the claim by the Member for Communication and Works that they had a silent majority out there. I quoted an example of the lack of that support when I mentioned that the Second Elected Member for West Bay, in an attempt to bridle the First Elected Member for West Bay to grant a motion I think I mentioned, but it should have been a petition, and was only able to gather some 182 signatures through his efforts.

I also mentioned that the present Government should have taken the same approach that the current Prime Minister of Great Britain decided to take, after she recognised that she had lost the majority of the support of her party. Her decision was based on her concern for the good of the party and what she felt was in the best interest of the country. I admire a leadership that is bold enough to take such measures when they recognise that they have lost their support. One of the dangers that we all face as politicians, is to determine when we should call it quits. Maybe we can learn a lesson from the present situation in Britain.

I think another cause for the current slowdown, is the huge \$10-million tax package that was introduced by the Government in July 1990, under the guise that they needed it to cover the huge salary award to the Civil Service. What that did was to dry up a substantial amount of the disposable income in our economy. As a result of that package, the cost of living has escalated, and I think from the latest figures it is reflected as close to 7 per cent, but I think that when the total effects of that package goes into effect in the economy, inflation, or the cost of living will be substantially higher than 7 per cent.

The people in this country right now (the average man) are having a very difficult time making ends meet because of the high cost of living. No longer do we have the luxury or the option of allowing our wives or mothers to remain at home and care for the family, while the men or the husbands act as the breadwinners.

It is necessary today, not only because our Caymanians have gone out and overextended themselves, I think our people have always been prudent, but it has been caused by the continued rise in the cost of living in this country. It has not only hurt our people but also, I feel that it has had a direct effect on the number of visitors who decide to visit the Cayman Islands.

Another cause for the present situation in my opinion, is the lack of leadership and sense of direction by this present Government. I understand that one Elected Member of Government said that "we do not have any leaders, everybody is a leader in his own state." You cannot have a country pulling in four different directions at the same time. This lack of direction has sent the wrong signal to our people, as well as, the foreign investor.

What is sad is that if the present Government has its way with the 1991 Budget, at the end of 1991 the Public Debt would have again risen. At the end of 1990, it is projected to stand at approximately \$30.5 million. But, because it is necessary for the Government to borrow in excess of \$13 million to finance or balance the 1991 Budget, at the end of 1991, Public Debt would stand at approximately \$43,831,417; a staggering figure for a small country like ours.

All indicators mentioned in the Budget Address signal that we have for some time been experiencing a slowdown in this country. I feel that this Government, rather than facing these facts, has continued to operate like the ostrich with its head in the sand ignoring the present position. One of these days in the very near future the sad reality is going to come home to roost with us.

In the face of such indications, we have experienced a decline in the importation of capital goods, which means that our construction sector is slowing down. There has also been a decline percentage-wise in the amount of spending by our stay-over visitors; there has been a gradual decline in the length of days that their visits consist of. These are all signals that indicate that something is going wrong and

we must be prudent and wise enough as a Government to recognise such signals and take the appropriate action in dealing with it.

By all indications the U.S. economy is faced with a slowdown, and we heard I think it was last night by the Honourable Member for Tourism, that some 83 per cent of our visitors come from the United States. So, there is no doubt that if we have a recession or a slowdown in the United States, it will affect us directly here.

We are now faced with a world crisis in the Middle East and it is my opinion that either the international community accepts Saddam Hussein as a fact in Kuwait and walk away from the situation. I personally believe that the only resolution to that present situation is going to be as a result of some military conflict. You have to move in by force. But that situation has caused havoc with world economies.

In July when the Government introduced the Tax Package, at that stage I think they increased the cost of gasoline by about 15 cents per gallon. Now as a result of that and the present situation in Kuwait, the cost of a gallon of regular gas is in excess of \$2.00 per gallon. This may not seem a lot to some people, but as we argued then, when you are dependent on transportation as a means of livelihood, it bites heavily.

I feel, in light of all of those factors, the approach that the present Government should have taken with regard to the 1991 Budget, is as follows: there should have been a direct freeze on any new services or expansion of the Civil Service.

What is alarming, as a result of some information that I have gathered, is that the current monthly expenditure of Government is now in the region of \$10 million.

When you look at that, in light of the fact, that at the end of the year our reserves will stand at some \$11.8 million, it means that if we have a drastic slowdown or turn of events, that the reserves will probably last or carry Government just in excess of one month.

I have always been taught that when you cannot increase revenue, you cut expenses. I think at the present time, that the sources of new revenue available are very limited, indeed. They cannot tax the people of this country any further. So, the option available to Government, and the one that they should have adopted, is that rather than going out and trying to spend more money, let us see ways that we can cut our expenses.

How long can we as a Government, for political reasons or otherwise, continue to grow or continue the growth in Civil Service at the rate that it has over the past few years?

According to my information, Civil Service salaries and benefits now amount to some 52-57 per cent of recurrent expenditure. When you take into consideration the other basic essentials necessary to run Government, it does not leave a whole lot for other essential services.

I personally feel that Government should have taken the approach and came to this Legislative Assembly and said "guys, things are bad", and also advised the people that things are bad and we expect them to get worse and in light of this we have to make sure that we watch our expenditure. Our representatives are very responsible people. They would have accepted the position, but in light of all the uncertainty that we are surrounded with, for Government to propose to borrow an additional \$13 million, I think this is very unwise, indeed.

The position that Government should be in now when we are facing a slowdown is during the years of plenty rather than competing with the private sector for goods and services, Government should have been prudent in putting aside as much as possible in reserves, so that when we are faced with conditions as we are now faced with, Government has the means to keep the economy going by accelerating its expenditure. Not being in a position where now it has to accelerate that expenditure by going out and borrowing money, which in my opinion, only further exacerbates the position.

What concerns me is, as bad as the present situation is, what the real position would have been at this stage, if the present Government had had its way with regard to its grandiose projects. What if the eight Backbenchers had not united its efforts and said "No, we do not agree with you going and borrowing over \$100 million for the MGTP", and "No, we recognise that we need improved medical or health services, but we do not agree that it has to be to the tune of \$20-25 million for a new hospital." I think that the people of this country appreciate the stand that the Opposition has taken with regard to these very expensive projects.

When you are dealing with limited resources you have to be very practical. I feel that we, here on the Backbench have offered practical and affordable alternatives, for the roads and for the hospital. Rather than maintaining the attitude that they have, Government should have taken note of these suggestions and gone ahead and taken care of these needs.

Before moving on from the financial position, I would just like to say, that despite what the two Elected Members for Executive Council have said, the present position is not a good one.

The next subject that I would like to address is the subject of Tourism. I think everyone of us here in the Cayman Islands, recognise the value of tourism to our standard of living and our way of life. Tourism and banking have offered an alternative to the people of this country. Prior to the advent of these two very important pillars in our economy, our men had to go overseas to earn a living. But, the present competition for those tourist dollars, is very fierce and keen indeed, and it has affected the number of tourists that we have had visit over the past few years.

The statistics indicate that the number of stay-over visitors are declining. In 1989, they reflected a negative growth rate of about 4.1 per cent. The 1990 tourist season which just passed was not a good one because like I said, the competition is really heating up from other Caribbean territories for tourism. Our spending from our visitors, according to the information presented, fell from \$134 million in 1988

to \$130 million in 1989, a fall of about 3 per cent. This is spending by our stay-over visitors or visitors who arrive here by air. This is alarming when compared with a 55.8 per cent increase in 1988 over 1987.

I think it is unrealistic to believe that the increases could have continued at that pace, that is, 55 per cent over the previous year, but what is important is that we, here in the Cayman Islands, continue to get our fair share of tourist visitors.

Total overall spending by visitors according to the information presented, stood at \$144 million in 1989, compared to \$143 million in 1988. This takes into consideration spending both by visitors who arrive by air and our cruise-ship visitors.

The average length of stay declined from over 7 nights in 1987, to 6.63 nights in 1989. So, it is declining. What it means is that people for one reason or another, are staying for shorter periods of time. I think that one of the reasons for that, is because of the high cost of our tourist products here in the Cayman Islands.

Occupancy rates among the hotels fell from 68.2 per cent in 1988, to 67.2 per cent in 1989. Occupancy at the apartments and condos fell from 53.7 per cent in 1988, to 51.7 per cent 1989. So, it shows us that the slowdown has also affected the occupancy rate enjoyed by those properties who provide a service for our visitors.

The total number of workers in 1989 employed in the tourist or hotel and condo sector, fell by about 1 per cent in 1989, compared to the 7.1 per cent employment growth in 1988 over 1987. I feel that what this reflects is, because there has been a decline in the number of tourist arrivals by air and in the number of days that our visitors stay here on their vacations, that the hotels and condominiums themselves, have been cutting back to reduce expenditure giving themselves a chance to survive financially.

These trends, even though percentage-wise are not substantial, I think the trends are not healthy and must be addressed. I recognise that this is not an easy job because of the competition from other territories for the tourist dollars, many of whom are practically giving away their destinations in order to increase their market share in tourism. I feel that we are in a position to hold our market share if all parties in the industry are prepared to work together; that is, the Government and the private sector.

First of all, I feel that more can be done by way of joint efforts in marketing and promotion of our tourist product to the outside world. I think that it is incumbent upon the properties who depend directly on tourism, to have a second look at the cost of those services that they make available to our visitors. An effort must be made to reduce the cost of those services.

The Department of Tourism has embarked on Tourism Awareness Week in the Cayman Islands, and what they have done is to visit every district with the idea of reinforcing to our people the importance of tourists to our way of living. I attended one that they had in West Bay last evening, and I must commend the committee who was responsible for the fine effort and programme that they have available. I think that more efforts of this calibre should be encouraged.

There are many other tourist destinations that have much more scenic views as far as tourists are concerned. They have many more tourist attractions for the visitors to visit. They have as beautiful beaches as we in the Cayman Islands do.

These are all facts, but what has continued to make us different from all the other destinations is our people. Our people have always been known for their friendliness, their honesty, and the helpful way that they have and the willingness to assist whenever they can. This goes a long way. I remember back in 1983 or 1984, I had the privilege of visiting Martinique. They had a beautiful environment there. But, when you walked into those hotels and restaurants, there was something different about the environment there from what we enjoy in this country.

I believe the real reason for the difference in the attitude of our people, is because we have always been independent. We have never been subject to slavery, as the other Caribbean territories have experienced. Caymanians have travelled widely around the world, which has given them a different perspective or outlook when compared to some of their counterparts in other Caribbean territories.

I feel if we are to continue to enjoy the success that we have had as a tourist destination, we must ensure and reinforce to our people the importance of maintaining that friendly and helpful attitude when it comes to our visitors.

We must ensure that our Caymanian employees in the industry are treated fairly, and get what they earn by way of wages and gratuities. I have seen it and I am quite sure that every other Member in this House can testify that they have had a similar experience, in that there is a changing attitude among our people towards visitors to these Islands. That is not a healthy sign.

I think that activities such as those organised by the Department of Tourism this week, will go a long way in reinforcing the fact to our people the importance of tourism.

I think also that Government can assist by establishing a formula for all establishments with regard to the distribution of the gratuities for our people. I think personally that it is totally unacceptable for us to maintain the attitude that all of the formulae out there that are being used by the different establishments, and according to our information, some dozen different formulae are all acceptable.

I think also that in keeping with the Labour Law, we need an inspector or an examiner (I do not know what he would be called) appointed to work with the Department of Labour to ensure that gratuities collected are properly distributed to our people.

I think this is one reason for the change that we have seen in the attitude of our people. Especially our people who are directly employed in the tourist industry. The attitude of 'why should we care about providing a friendly service, a courteous service to the visitors, if at the end of the day we are deprived of the gratuities that these visitors leave for us...'. I feel that if we take care of our people, our people in turn will continue to take care of our visitors.

I also feel in this area that more time must be taken to create more attractions for our visitors. When I talk about attractions I do not necessarily mean more nightclubs, because I feel that the majority of our visitors get a sufficient amount of that type of activity from the destinations that they are coming from. I am talking about other wholesome, healthy activities.

One of the greatest activities in this area that has been created and has been proven to be a winner, and I know that a lot of people may not agree with it because of all the things that go along with it, but I think it has served its purpose - that is, the creation of Pirate's Week. It gives our visitors, a chance to participate in parades, in the landing dressed as a pirate, and it also gives our visitors and our people the chance to visit every district during that week to see what is unique about each and everyone of those districts.

This past Pirate's Week, some of my colleagues went with me out to East End to visit, and we thoroughly enjoyed the experience. There was good food, good company and there was a good atmosphere available there. I think that is good. I think more activities of this nature have to be thought of and established for our visitors.

I know first-hand what I am talking about. Prior to being elected as a representative for West Bay, I used to be self-employed in the tourist transportation industry. One of the things that all people employed in that area strive to get is a tour. I do not know what the cost is now, but in those days for an hour and a half tour you were in a position where you could charge \$8.00 per person. We all drove basically 14-15 seaters, so if you could convince 10 or 12 people to go on a tour, it was very good because within an hour you had \$120.00 or \$130.00 to put in your pocket. It is amazing how limited the attractions are that you are able to show the tourists.

**MR. PRESIDENT:**  
are suspended for fifteen minutes.

Perhaps you would like to take the break there? Proceedings

### AT 3:16 P.M. THE HOUSE SUSPENDED

### HOUSE RESUMED AT 3:46 P.M.

**MR. PRESIDENT:**  
West Bay continuing.

Proceedings are resumed with the Third Elected Member for

**MR. JOHN D. JEFFERSON, JR.:**

When we took the coffee break, I was dealing with the necessity of creating more activities or attractions for our visitors and had mentioned one of those creative attractions was the establishment of the Pirate's Week festivities. I mentioned that I personally enjoyed my visit during Pirate's Week to East End because of the warm hospitality, good food and the friendly atmosphere which prevailed. I wish to add that our own district of West Bay also had a very successful Heritage Day and we thoroughly enjoyed those activities also.

I would like to leave Tourism and move on to my next subject, which is the area of Training. I was somewhat amazed about the statistics of the unemployment rate, especially among our teenagers, that is the 15 to 19 year-olds who have just recently left school. Employment stood at 21 per cent; that is very high, indeed.

I think it is the real reflection and evidence that more emphasis has to be placed on ensuring that our young people coming out of the Cayman Islands High School, have the proper skills that will enable them or enhance their possibilities of employment. I think it supports the call for an apprenticeship system, which I think was recommended through a Motion brought by the First Elected Member for West Bay. We must ensure that our people acquire the skills necessary to hold those jobs which are available in this country.

I think that all goes right back to the emphasis on re-education. Many of our people have to also appreciate the fact that there is dignity in labour and that we cannot all be chief-executives. There are other areas where we can find employment and make a decent, honest living. I feel that the apprenticeship programme would be a step in the right direction to ensure that our young people acquire the skills necessary to hold or fill some of the jobs that may be available in the different sectors of our economy.

What was also surprising was that unemployment among the young female population exceeded that of their male counterparts. I was always under the impression that the rate of employment would have been higher among our females than it is among our males, even though as the statistics indicate, there is a larger number of females than males, in our resident population.

I feel that some of these 15 to 19 year-olds who are presently unemployed, if they have the skills necessary should be encouraged through the award of scholarships and Government loans, to further their education overseas in areas where we need qualified people. One of the areas which is very evident is the area of trained Caymanian teachers to fill some of the positions that exist in this country in that profession.

I feel also that in light of the present slowdown and contraction of the labour market, we as Legislators must ensure that the pains brought about by this contraction among our people is as minimal as possible. By that I mean that if there are two jobs and one is being eliminated, with all things being equal, and held by a Caymanian and non-Caymanian, then a Caymanian must be given preference.

I think it is understood when there is a period of slowdown, and I think everybody expects us to do this, then we must ensure that our people are given preference and priority with regard to those jobs that are available.

But, to ensure that this is done, I do not agree or support the

philosophy that because you are Caymanian, you should get the job. I think it is incumbent upon us as Legislators to ensure that the proper skills and qualifications that are necessary can be obtained by our people. Then it gives them a fair chance to survive in those positions. So, more scholarships should be made available to those young people.

The next subject that I would like to just briefly mention, is the subject of Cayman Airways. I just want to mention that we on the Backbench continue to support the Airline. We just recently approved a review of all areas of operation to ensure that the company continues to be based on strong management principles.

I can appreciate that we cannot sit and wait for a year to 18 months until this review has taken place. It does concern me that the Airline has gone out and acquired a third jet which only adds to the monthly cost of operation, along the logic that if they have three aircraft it is much easier to service those destinations, maybe even expand those routes that they will fly.

The airline industry is a very competitive industry, and most airlines today do not enjoy a very healthy financial position. I think we as a country have to be very prudent and we have to do everything to ensure the survival of our national airline: Cayman Airways. I feel that it is essential for our continued success as a tourist destination, and I trust that the move to acquire a third aircraft proves to be the right choice.

I will continue as a representative to support the airline in whatever capacity I can, through the approval of the local subsidy or by continuing to use the airline for my personal travel needs. I wish the airline every success because I feel it is our lifeline to the outside world and a lot of Caymanians depend on the survival of the airline for their financial livelihood.

The last subject that I would like to deal with is our district needs in West Bay. What is frustrating is that in the 1990 Budget, through the cooperation of the Members of the Backbench, the First Elected Member and I were able to put aside or have approved \$550,000 for roads in West Bay.

Around the first part of the year, the three representatives along with the Public Works Department got together and identified those priorities. The money has been spent and not a whole lot of roads have been repaired.

In answer to a Parliamentary question that I posed just a few days ago, we learned that some 18 projects were completed in West Bay. If we had not dug a little further, we would have had the impression that these 18 projects were 18 roads. But, it turned out that the majority of these were drains. We have pleaded with Public Works, we have pleaded with the Member in charge and have been promised, but, Christmas is coming and as I said the money has been spent and there are still plenty of needs in this area in our district.

It has turned out that it was a waste of time for the three Members from West Bay to have come together, identify those roads that we wanted done, only to have Public Works do them in the order in which they wanted to do them. What was sad was that a substantial portion of the funds were used to repair roads in the district that were not on the list that was approved by the three representatives from the district of West Bay. Because of the present financial position of Government I cannot see a whole lot being done next year, 1991.

I can assure people that the First Elected Member and myself, with the support of our colleagues on the Backbench, will do everything that we can to get some money put aside for the continued roadworks in West Bay. I had a brief look through the Budget under Capital, and I have not been able to identify any funds that have been set aside for the district.

The other thing that is disappointing to me and my colleague from West Bay is the present situation with regard to the overcrowding at the West Bay Primary School. We feel that this situation was totally unnecessary and is another example of poor planning by the present Government, in particular the Member for Education, who is also one of the Elected Members for West Bay.

I am embarrassed as a representative, for primary school-aged children in our district to have to be housed or schooled in the West Bay Town Hall, because there are not sufficient classrooms available at the school to house them. I think it is totally unacceptable in this day and age in which we live to adopt the attitude: it was good enough for us, so it must be good enough for our children. I am a product of that old West Bay Town Hall, but back in those days we had no money, we had no alternative, it was the only thing available as a school facility in that district.

There is no need for the present situation because money was sitting in the Budget, I think from the year 1989. And as a result of Parliamentary questions we were ensured by the Member that the classrooms would have been available for the September 1990 session.

What is amusing is that we have been unable to build the two required classrooms over the last two years, but in this year's Budget for the district of West Bay, there are two huge provisions for schools. If I recall correctly, I am trying to find the figures, it said the West Bay Infant School Phase I, \$749,688, which are the four classrooms and, Phase II \$653,150. If the Member was unable to build two classrooms in two years, how is he going to be able to accomplish building Phase I and Phase II of the schools in West Bay in 1991? I think it is a political move and it is an effort to regain some of the support that he lost through his inactions of the past.

The First Elected Member and I are not taking any blame for the present situation. We have always supported or approved recommendations of expenditure for the district of West Bay. I draw the line politically when it comes to our district. Anything that is good, or that is being spent in West Bay, we will approve because it will benefit the people of our district.

I am glad to hear that Phase I of the new school has been

started and according to the Member responsible for Education, those classrooms should be available for our students sometime next year. I will see what happens.

In closing I would just like to summarise my position. I feel that despite the arguments put forward by the Members of Executive Council, that is the Elected Members, the present financial position of Government is not good.

In light of all the negative factors which had been highlighted in the Budget Address, they should have taken a much more cautious approach to the 1991 Budget because of all the uncertainty that we are surrounded with. We cannot spend money that we do not have, and I think that it is time at this stage for us to face up to the facts that we might have to tighten our belt financially, in order to ride through the financial storms which we might be faced with in the very near future.

In tourism, I think it is incumbent upon us and all parties who are directly or indirectly involved or benefit from this very important industry, to join efforts, exchange ideas, and do whatever is necessary to come up with a plan that will ensure that we in the Cayman Islands continue to enjoy our fair share of this very important market.

As I mentioned, it is time for those properties who provide services to our tourists or visitors, to look seriously at the cost associated with those services. We have to recognise that there are other territories who are keenly competing for those tourist dollars which are spent by our visitors.

What is sad is that 83 per cent of our tourists are from the United States and when it comes to the rest of the world we have all been thrown in one big pot. So most people, especially first-time visitors, basically base a decision on where they would travel based on the cost of that vacation.

I feel that more effort must be organised along the lines of the present activities which are ongoing or have been organised by the Department of Tourism, to continue to make our people conscious of the necessity of treating our tourists well and providing value for money to our visitors.

In the area of employment, I feel that the statistics reflect that there is a need for us to ensure that our people acquire the skills necessary to fill those positions that are available in our Islands.

I wish the Cayman Airways all the success, and would just mention that I trust that those decisions that were made are in the best interest of the airline. I was told just last night that some visitors were stranded in Miami, because Northwest Airlines decided to cancel its flight and CAL had to go and get the visitors and bring them here. So, it is an essential service for the continued welfare and prosperity that we enjoy in these Islands.

As far as our district is concerned, I would just like to mention to our people that we will continue to fight to ensure that they get the services that are so badly needed in our district. In closing, I would like to sound a word of caution to the present Government. To review or re-think the 1991 Budget, in particular with regard to the proposed borrowings of some \$13 million, in the face of such financial uncertainty.

Thank-you Sir.

**MR. PRESIDENT:**  
minutes before us.

Does any other Member wish to speak? We have 10 valuable

understandably, it has been a long week.

It seems that Members are somewhat reluctant, entirely

Perhaps I could mention a procedural matter maybe just to take up a minute. I have been thinking about the question of Finance Committee and the calling of witnesses and the making of Amendments, if any Amendments are proposed. Members will remember I sent out a short note the day before yesterday about giving witnesses notices so they can be prepared and so on.

There is a slight problem because in the procedure laid down in Standing Orders, each Head of Expenditure is proposed, the question is proposed on each Head of Expenditure in turn.

This implies that witnesses, if any, are heard and then Amendments are formulated, if any. But two days notice is required. I have just passed a note out to the Clerk for typing which I hope will be ready for you to look at over the week-end, suggesting that Members who wish witnesses to be called should give that notice to the Clerk and clearly it will be more than two days from Monday, I think, before we get to Finance Committee.

Give notice of witnesses to the Clerk; and then when we commence in Finance Committee the first Head is taken, the question is put, (that Head 1, or whatever the exact wording is...) and then witnesses are taken and the witnesses are dealt with and they leave. Then the Committee discusses that Head and at that point stops. The question is not put there as a Motion, but we stop at that point and we move on to the next Head, take the witnesses, discuss and then move onto the next Head.

Meanwhile Members are deciding whether they wish to put any Amendments. They formulate the Amendments, put them in to the Clerk while we are going all the way through each Head of the Schedule. Then, at the end of the Schedules the Clerk will have a number of Amendments in hand. There would normally be two days notice required for those Amendments. Then at that point I would ask the Government whether they would wish for the full two days' notice before the Committee proceeds again; or whether the Government would be prepared to take the discussion and to go on with the discussion on each Head, put the Amendments, and then put the question on each Head?

If the Government says they wish to stick to Standing Orders'

two days' notice, well, so be it, that is what Standing Orders provide. I am trying to set this out in a note which I hope will be ready in a minute.

On that happy note, would you care to move the adjournment?

### **ADJOURNMENT**

**HON. THOMAS C. JEFFERSON:** I have been itching to do this, Mr. President. I Move the adjournment of this Honourable House until 10 o'clock, Monday, 26th November.

**MR. PRESIDENT:** The question is that this Honourable House do now adjourn until 10 o'clock Monday morning. I shall put the question. Those in favour please say Aye...Those against No.

**AYES.**

**MR. PRESIDENT:** The Ayes have it. The House is accordingly adjourned until Monday morning at 10 o'clock.

**AT 4:21 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M. MONDAY, 26TH NOVEMBER 1990.**



**MONDAY  
26TH NOVEMBER, 1990  
10:07 A.M.**

**MR. PRESIDENT:** Prayers by the Third Elected Member for George Town.

**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 we may be enabled faithfully to perform the responsible duties of our 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 the light of His countenance upon us and give us peace now and always. Amen.

**MR. PRESIDENT:** Proceedings of the Assembly are resumed.

**APOLOGIES**

**MR. PRESIDENT:** We have apologies from the First Elected Member for Cayman Brac and Little Cayman for not being able to be here today.

Questions No. 191, the Second Elected Member for Cayman...

**MR. W. McKEEVA BUSH:**

Mr. President, before you move on to item 2, can you say when the Public Accounts Committee report will be given back so that we can know when it will be Tabled?

**MR. PRESIDENT:**

I did say to you on Friday that it would either be on Monday or Tuesday. I had forgotten that Tuesday is not a sitting day, so it will be Wednesday. Tomorrow is not a Sitting day of the Assembly, now you remember the Assembly does not sit on Tuesdays.

**MR. W. McKEEVA BUSH:**

I did not know that, but that can be discussed later, Sir.

**MR. PRESIDENT:**

It will be Wednesday morning.

The Second Elected Member for Cayman Brac and Little Cayman.

**QUESTIONS TO HONOURABLE MEMBERS  
DEFERRED QUESTION**

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE SECOND OFFICIAL MEMBER RESPONSIBLE FOR LEGAL ADMINISTRATION**

**NO. 191:** Would the Honourable Member say whether it is a normal practice that persons charged with an offence in Cayman Brac and Little Cayman can be tried in the Courts in Grand Cayman?

**STANDING ORDER 23 (5)**

**HON. RICHARD W. GROUND:**

Mr. President, I am slightly embarrassed and I am going to have

to seek the leave of the House to defer this. I have been waiting for the response from the Judiciary and the Magistracy on this. I do now have it in hand, it arrived in my mail this morning, but I need to collate it with my own perception of what the practice is. I could firmly undertake to answer it on Wednesday.

**MR. GILBERT A. McLEAN:** Mr. President, I was going by the Order Paper, it is on today and I...

**MR. PRESIDENT:** You are absolutely correct. I am really signalling to you, to ask if it is acceptable for Wednesday?

**MR. GILBERT A. McLEAN:** Wednesday would be fine with me, Mr. President.

**MR. PRESIDENT:** Thank you. Item 3, continuation of the Second Reading of the Appropriation Bill, the Honourable Member for Tourism.

## GOVERNMENT BUSINESS

### BILLS

### SECOND READING

#### THE APPROPRIATION (1991) BILL, 1990

(Continuation of debate thereon)

**HON. W. NORMAN BODDEN:** Mr. President, I rise to make my contribution to the debate on the Budget Address and Draft Estimates for 1991.

The Budget Address as is customary, once again, went to great length to review and report on the state of the country's economic condition as well as to project future results based on various factors. Naturally in making this assessment historical data, statistics and the analysis of a variety of economic indicators such as tourism, finance, construction and others are used as a barometer to measure and establish trends and to prove performance.

The Budget Address has strongly stressed the great importance of tourism to the country's economy. It has given due recognition that tourism is the predominant growth sector in the economy and went on to state that other sectors tend to follow the direction in which tourism moves. A fact that all who live in these Islands must not forget, and all the more reason why tourism should not become a political football. Tourism, like Cayman Airways, is far too important to this country and as far as I am concerned, politics is politics, but business is business.

Speakers before me have questioned whether it is the same Budget that is being debated? Be that as it may, I know for sure it certainly seems to me that we cannot be dealing with the same set of tourism results. Not when I hear Members of the Backbench speaking about downturns in tourism and poor tourism results, especially in this past season. It is true to say that statistics can be used, depending on which side you sit, to reveal some interesting results. But even in accepting this, I cannot understand the doom, gloom and disaster that some of the Backbenchers are claiming have been found in the Draft Budget Address for 1991.

I am afraid that I will have to deal with Tourism at some length and I trust that the Chair and the House will bear with me because this is a heavy subject. It seems to me that from some quarters it has come under some heavy fire and I will have to respond.

I am not here to dispute in the slightest degree, that according to highly publicised predictions by the experts, both at home and abroad, 1991 is going to be a difficult year for all of us. A year when growth is expected to slow down and inflation may remain high. I accept, too, that the Cayman Islands which have been so bountifully blessed up to the present time, must prepare and brace ourselves for the belt tightening conditions which may lie ahead next year. It is absolutely necessary for the country's attention to be drawn to this. The warning must be sounded. We have had it so good and prosperous up to the present time that it is all too easy to believe that this will remain the case indefinitely. This would indeed be wrong; it would be misleading and it would lend itself to creating a false sense of security, which indeed none of us need or want.

Having said all that, the indisputable fact remains that this country, the Cayman Islands, enjoyed a good year, especially in the area of Tourism. So, when I hear ridiculous and far fetched claims being made by those in opposition to Government, I have to raise the question, are events of the past being used to create a reflection on the present performance? Or are future forecasts being used to over-shadow the present healthy tourism results? It has to be something. It has to be some ulterior motive.

I have no doubt that there are several who may have their sight set on this seat I now hold and who covet the Portfolio of Tourism, Aviation and Trade, and actually, I have no problem with that. When the right time comes it will be left to the people of this country, to their elected colleagues in the House and the Governor. But let me make it clear, here and now, that no one will gain their lofty ambitions at Norman Bodden's expense. No one will gain political mileage by attempting to convince the public through wrong information that I have neglected my job or shirked my responsibilities during the past six year, that I have held the Portfolio for the subject.

I have to say that it was nothing short of ridiculous to hear the Second Elected Member for Bodden Town saying that we are in trouble with Tourism, that I was doing nothing about it and that I am a Member of non-performance. You know that is strange because that is exactly what the public had to say about that Member when he held the Portfolio of Communications and Works. The only difference is that it was true in his case, in my opinion. That Member knows full well that Government does not control prices on any type of business in this country, whether it is hotels, travel agents, insurance or anything else. So why would he be so mischievous?

Where does he, or anyone else who shares his view, think Tourism would be today if it was not nurtured and completely cared for over the past six years. Since November 1984 Government has had to take the steps to protect it - some of which he and his Government (which was put out of Office in 1984) lacked the political will to do because they refused to touch anything unpopular, whether it was good for the country or not. But the Government which took office in 1984 and in 1988 (of which I was privileged to be a part) decided early in the term of office that we were not engaged in a popularity contest but that we were involved in building a country and protecting an industry that was vital to its future.

I know too, that the Third Elected Member for George Town said that we should not mention the past, and we should not deal with the past. That is alright for him to say, after he has fired his salvos and sat down, but I am also reminded of the old adage which says, "He who forgets the past is doomed to repeat it." Does the Second Elected Member for Bodden Town or anyone else believe that tourist air arrivals would have increased from 148,485 in 1984 to 241,607 in 1990, an increase of 62 per cent, by accident? I give him and others credit for better sense than that.

Permit me to ask where tourism would be today if Government had not introduced Marine Conservation Laws in the face of strong opposition to protect our underwater treasures which has served to keep the Cayman Islands attractive; and which accounts in large measure to the stated growth we have experienced in tourism over the past six years?

Government also took steps to revise and strengthen our Tourism Law of 1974, so that the Hotel Licencing Board could take prompt action against any property which does not maintain a high standard of tourist accommodation. In the past, action has been taken by the Hotel Licencing Board of which I chair, to close a hotel and a condominium due to non-compliance, and this will happen again if necessary. This in my view has helped to demonstrate that Government is serious about enforcing the Tourism Law and this has enabled the country to offer and provide a high quality of tourism product and build the good image that the Cayman Islands enjoy today in the market place.

Government has taken steps legally to discourage and prohibit street vendors, whether on our streets or our beaches, which is one of the qualities this country has, that sets it apart from the rest and one that visitors frequently comment on. This is an area that continues to be closely monitored.

Government has done what was necessary to assist and encourage the operation of the world's first sight-seeing underwater submarine, the Atlantis, which has proven to be one of our main tourist attractions.

Government has assisted and encouraged development of the Hyatt Regency and the Radisson Hotels which have enabled the Cayman Islands to offer luxury accommodation, thereby, strengthening the quality of our tourism product.

Government has enhanced the image of our offshore operations and the finance industry which complements and contributes handsomely to our tourism business through signing the Mutual Legal Assistance Treaty, in the face of strong opposition instigated by mischievous individuals.

Government has established a strong tourism team-effort with the private sector which is working well, still growing and remains one of the prime keys to our success. And the list could go on and on, but one last one: Government saw the need and made the change to a new dynamic and highly creative advertising agency back in 1985 that has raised the image of the Cayman Islands in the world of tourism through high quality material and we took the decision to advertise the Cayman Islands on television and radio overseas for the very first time in history.

I have to say that the combined efforts of both Government and the private sector have produced good results this year, and I refuse to sit here and allow anyone to dampen or dim the bright side of the success of Cayman's tourism this year. Not in 1990, even if 1991 proves to be another story, because as everyone knows we depend on a fickle, fragile and highly competitive business which has its peaks and valleys.

I have to admit that I remain somewhat puzzled as to the reason why Tourism has come in for such unfair and unbalanced treatment during this Meeting. For comparative purposes, I agree that stay-over arrivals in 1987, which increased by 25.9 per cent over the previous year, was the best in eight years.

I was a Member then too. It is a matter of record that in 1988, the increase over 1987, was only a 4.6 per cent increase. It is also the case that the year 1989, was not a good year for tourist air arrivals, even though cruise ship arrivals were up by some 28 per cent. However, what seems to have been over looked or ignored, and what I consider to be highly worthy to note, is the fact that even though the year 1989 started out with a dismal down turn of 18 per cent in January, a dramatic recovery in tourism market share was made with the year ending up being only four per cent down and the turn-a-round continued through 1990, so, that today we are 22 per cent ahead of 1989 in air arrivals. That is for the first 10 months of 1990.

It must be pointed out that in 1990, the Cayman Islands launched one of the most aggressive marketing plans for Tourism in its history and the results have been nothing short of spectacular when you consider the situation in many other Caribbean destinations this year. In the first 10

months of this year, over 40,000 more tourists have visited our country than during the same period for the year before (that is, 208,619 through October 1990) compared to 168,467 last year. The marketing programmes are geared towards attracting the affluent and sophisticated traveller - those individuals who spend and make a significant contribution to the overall economy of the Cayman Islands. Research has shown that the marketing programmes are working, but like everything else there is still room for improvement.

The Department of Tourism understands full well that this is not the time to become complacent. We must continue to be aggressive in order to build a stable high quality clientele. However, in this business aggressiveness is also measured by how much a destination can afford to spend to convince the vacationer to choose their country for a vacation. It takes substantial funds to accomplish this and there are many destinations spending more than us.

The amount placed in the Budget for advertising and public relations in 1991 is an absolute minimum. I have already had to go against the advice of our sales and marketing staff to cut some programmes which were planned for 1991, due to budget constraints, however, let me say that I fully endorse the comment made in the Budget Address when it stated, and I quote: "Unless we redouble our marketing efforts to counter some of these consequences [which is referring to some of the negative developments projected for 1991] there will ultimately have negative impacts on public revenue, the balance of payments and on all those small businesses which directly depend on tourism as on going concerns."

There are many factors in the market place which will impact on the success or failure of our ability to maintain market share in 1991. First of all it is predicted that travel abroad to the United States will increase only 3.6 per cent in 1991. This is a very low figure compared to previous years.

It is true that Cayman has in its favour a good image in the market place and does provide an excellent tourism product. This is what research tells us. But we must bear in mind that there is a multitude of alternative tourist destinations for the traveller to choose from.

Marketing efforts must be increased even beyond what we have been doing to ensure that the Cayman Islands are considered as one of the alternatives when a vacation decision is being made. As the Budget Address pointed out, with the opening of Eastern Europe there will be increased competition to be faced; here is just another large region launching their bids for the tourist dollar. And, yes they are looking for the United States tourist dollar as well!

There will be challenges and perhaps opportunities, but whichever way it goes, the importance of the European market is not being overlooked because we know only too well that on a per capita basis they make a greater contribution to our economy. They spend more simply because their average length of stay is 11.2 days compared to 5.7 days for the United States visitors. It is with this knowledge and because of the importance attached to the United Kingdom and Europe, as well as new and increased business that can be derived from other countries such as Japan and Italy, that the Department of Tourism and Cayman Airways, last year and during this year, have been putting in place the machinery within their financial means to strengthen Caymans' presence in those markets. So as to be able to take advantage of the opportunities that Europe may offer in the 1990s.

General Sales Agencies Agreements and Sales Representatives have been appointed to cover Holland, Belgium, Luxemburg, Germany, Austria and Switzerland. In this process we are also increasing our marketing and sales activities in these areas as well as in the United Kingdom. Similar appointments have been made in Japan and as is public knowledge, a delegation comprised of Government and private sector officials visited Japan in June this year and the increase for the first 10 months this year, stands at 834 compared to 567 - an increase of 47 per cent.

It is safe to say, that this market offers great potential, and further development is being actively pursued. Plans are also in progress for our marketing sales personal to visit Italy next month with follow-up marketing activities early next year.

Mind you, one must accept that North America will always remain our main source of business in the difference on the cost of air travel alone and because of our proximity to the United States of America. But, I also agree that any degree to which we can reduce our almost total dependence on this market is desirable and will be a step in the right direction. I know that large numbers may be impressive and that there is often the idea advanced in some circles of charters from Europe and elsewhere, and it is often stated how much business it can be increased by. But let me say that the Cayman Islands must never become just another charter destination in the Caribbean or we will certainly cheapen the image on tourism results expected for this country. Charter business to some degree is welcomed, but it must always remain supplemental to, and not allowed to dominate our market. This must always be left for schedule services. This is my position and will remain so, whether I am in or out of this House. Let me also go on record as saying that if we are able to maintain our market share only, or even only able to show a modest increase each year, this is the way to go. This is stated development, because we cannot expect to show large increases year after year, this will only create a strain on the country's infrastructure and dilute the quality of our tourism product.

I am afraid, I have digressed there but let me continue on factors impacting on 1991. In the area of cost in reaching our target audience we know that it will cost between eight and 10 per cent more next year to reach our target vacationer with the same frequency as was done in 1990.

In concluding comments on Tourism, I must point out that I have put in a request in the 1991 Budget for a sum of money to cover the estimated costs of a tourism development plan for this country. It seems to me that with an industry of its importance to our economy, it is time we had a proper plan that would chart the way for Cayman's tourism development over the next 10 to 15 years.

If this project materialises I am reasonably certain that it will not be treated the same as the plan which was prepared at great expense by Laventhall and Howarth. This was commissioned but never firmly accepted by the Government, of which the Second Elected Member for Bodden

Town and the Third Elected Member for George Town were a part, for reasons best known to themselves. Whether tourism is up or down there is always a slew of self-appointed experts claiming to know what should and should not be done. So let us hear what the professionals have to say. I think it will be a good investment for the country to make at this time.

I trust that the necessary support from all Honourable Members and the general public will be forthcoming so that implementation can be easily accomplished for the future benefit of these Islands and a vital industry on which we have come to depend for economic survival.

Some people ask what can we do? What do we need to enable the Cayman Islands to continue to defend our market share against other Caribbean destinations, against Eastern Europe? And what if Cuba opens up to the American tourists once again? My response is that our best defence against competition is by maintaining a high quality tourism product in a stable and safe atmosphere combined with an aggressive marketing plan with sufficient funds to support it. This is the formula, this is how market share is captured and maintained.

I also support the view that training of our own people to fill positions in the hospitality industry must continue to be actively pursued. Not only to train new recruits, but to conduct refresher courses for those already in the business. In spite of anything that is said, I believe that progress is being made in this area through what the Government will be doing through the Hotel Training School and the combined efforts of the Hotel and Condominium Association, the Department of Tourism, the Chamber of Commerce and American Express in providing formal training courses and scholarship grants each year. This is an ongoing process.

There is now a text book on Tourism for the schools which is being used and more and more interest in the hospitality industry is being generated through the efforts of the careers officers in the schools. Today we are able to point to several young ambitious, qualified Caymanians who are holding responsible positions in our hospitality industry which we could not have done two years ago, and others are in training to join their ranks. I think that we are still fortunate that there are still golden opportunities for our young people but they must be motivated and willing to take advantage of those opportunities.

You know, the old Caymanian saying still stands true - "You can take the horse to the water, but you cannot make him drink." Now, closely connected to and dependent on tourism is Cayman Airways. I do not want to repeat what I said when I tabled the company's audited financial statements in this House some days ago. But since the Third Elected Member for George Town spoke of the impact of Cayman Airways on the Budget - which I suspect he used to establish relevance so that he could bring in the subject of Cayman Airways without being stopped by the Chair, otherwise I do not see his point - anyway, it gives me an opportunity to respond to some of the points he attempted to make.

I must first of all state, that regardless of that Member's accounting degrees, he cannot develop any formula or produce any calculation that will convince me that the Boeing 737-400 is not more economical to operate than the 727 including the aircraft lease payments. I can state this for sure without fear of successful contradiction, that with an almost 100 per cent increase in aviation fuel the decision that the National Airline made when it did to change aircraft was a timely and wise one. Otherwise Government would be faced today with either increasing the subsidy fourfold, that is, from \$1 million to at least \$4 million a year or closing down the National Airline.

Cayman Airways today has a one year track record of operating the Boeing 737 and it is a proven fact that it uses 40 per cent less fuel. There are savings in the cost of the cockpit crew as only two, not three, crew members are required. There are also savings both on maintenance and even on landing fees. These are but a few of the savings on direct operating cost of the 737.

The Third Elected Member for George Town also made reference to certain items being treated as unusual from an accounting point of view. I am not an accountant, and I do not profess to be one, but I have considered the points which he has made and I think he referred to how Government subsidy was accounted for and the cost of the introduction of the Boeing 737 which included crew training, the cost of the inauguration of the New York service and the write-down related to the Shorts aircraft, not being shown as expenses. These three items are thoroughly explained in note 11 to the Audited Financial statements which were tabled and I have nothing further to add.

As far as the subsidy is concerned, this was raised with the external auditors some time ago, and it was decided that the way it is being treated in the accounts is a proper and acceptable accounting practice. It is true that in the days when the Government, of which he was a part, had to put money into the airline, they called it a loan. But, does he not remember that in the Swiss Air Report they recommended the amount of over \$6 million be written off or either handled through a share issue because it was shown as a loan? The company could not afford to repay Government and it only made the balance sheet look bad and presented a false picture. So this was done as recommended and as that Member would say - a rose by any other name, is still a rose - if you call it a loan or a subsidy.

It should be pointed out that in regard to the other three items which I mentioned earlier, that is, the start up cost and the route development and write-down on the Shorts, this is also an accepted accounting practice, to spread these over a period of time, say three years, many airlines do this when developing new routes or introducing new equipment. In this particular instance the management of the company decided that it would be best to write off these items during this accounting period since it had the financial means to do so because of the good business transaction which was made on the 727 lease sale.

The loss, which has been harped on by the Member for George Town, is a comparison with financial results for 1988 and 1989, when the airline enjoyed a near monopoly in the market as opposed to the 1989/90, results when it is faced with fierce competition.

This is the main reason for the difference in the bottom line for

not changing aircraft because it must be plain to anyone who would admit it that the situation would be far worse if the company was today still operating the Boeing 727.

I do not wish to prolong the points on Cayman Airways because I honestly believe that the Third Elected Member for George Town recognises that the position he took in regard to Cayman Airways was wrong. But being both a Bodden and a lawyer, it is difficult for him to admit this. But we will forgive him, Sir.

Regardless of the political flak I have to take for Cayman Airways, the fact remains that Cayman Airways is our airline. It is our National flag carrier. We need it and it needs our support and we must accept, as we have accepted long ago when Government took over the airline in 1978, that nothing good comes without a price.

There is indisputable evidence that the National airline's operation has substantially improved over the past several years. We have more efficiency and we have more systems in place that are working for the company than we were able to put in place in the early years, so it is more efficient today than it has ever been. Services provided to the travelling public, internationally as well as inter-island, that is, between Grand Cayman, Cayman Brac and Little Cayman, both on the ground and in the air have greatly improved. I believe that public support for Cayman Airways will attest to this.

The airline's accounts are prepared, audited and presented to this House on a regular and timely basis. In spite of an almost 100 per cent increase in aviation fuel and in spite of inflationary trends which also hit the airline hard, the company has struggled and managed to contain its losses to a reasonable level by any man's standard and it has not in six years asked Government for one penny more in subsidy. Although I must add that I am not too sure how much longer this will continue to be the case, especially in light of the negative economic conditions that are being forecast for next year. But we will endeavour to avoid this for as long as possible. We will do our best and I am told that in the good book that angels can do no better.

It should also be noted that now included in the airline's accounts is a maintenance reserve account which is being built up to cover the cost of future maintenance checks that will be become due on the 737. It will be recalled that when the 727 was put into service, no such provision was made and this was the main motive that prompted the airline to seek to sell the lease of the 727. Simply because the maintenance checks were due soon and the company did not have the financial means to pay for them. No provision had been made and Government could not be asked to pay nor could it afford at that time.

Finally on this subject, let me assure this House that the study on Cayman Airways is being actively pursued through the proper channels and will be carried out providing Finance Committee votes the funds when the time comes. Nothing is being done or will be done to preempt this project as there is absolutely no reason to do so and that is not my style. As far as I am concerned it is time and highly preferable to have the professionals examine and report on the company's operation, rather than to have to continue to contend with politically biased views and erroneous conclusions drawn by self-appointed experts.

I will now like to touch briefly on the matter of unemployment which was raised. Let me hasten to add that this is not the first time this matter has been raised. The *Hansards* of this House will reveal that it was raised and came up in debate during 1983 and 1984 when there was unemployment in this country. The only difference was that the Government of the day did not admit that there was unemployment, and they coined the phrase the 'unemployables'. I am not going to fall into that trap. I am not about to stand here and say with surety that there is absolutely no unemployment in the Cayman Islands. I believe too, that there can be unemployment for a variety of reasons, dependent upon the definition one applies to the word unemployment. Is it defined as someone who does not have a job or a job of their choice on a particular day, such as census day? Or does it apply to someone who has been genuinely searching for a job but has remained steadily unemployed for the past two, three or six months?

To be frank and honest it was a bit difficult for me to understand why we would in fact have a true jobless rate of that magnitude, that is 987 persons or 6.2 per cent. Especially when there are numerous Caymanians holding two and three jobs and there are 8,842 persons on work permits in this country.

I am naturally concerned about this and everyone else should be. It is healthy for it to be brought out into the open and debated because the jobless rate is one true indicator of the countries economic condition. This must be carefully watched.

I am only able, therefore, to state what my investigation revealed based on information gathered by the Director of Labour back in August of this year. In July, when I saw the Census Report, I called the Director of Labour and advised him to arrange visits to the various districts in an effort to establish as near as possible what the situation was by inviting any person unemployed to register with him.

The results of that exercise was that nine were listed as unemployed in East End, four in North Side, nine in Bodden Town, 15 in George Town, 13 in West Bay, two in Cayman Brac - giving a total of 52 persons who reported as being unemployed and some of these I believe were persons who sought to change jobs.

The Director of Labour and his staff assist with job placements but often his records are not entirely accurate, simply because some persons who have registered as searching for a job do not notify the Labour Office once they have found one. Neither am I claiming that the Director's Survey is a true position because some people may not bother to register. However, I have advised the Director of Labour to send a weekly report which I know he is doing to the Chairman of the Caymanian Protection Board providing him with the number registered with his Office in the various categories, so that if applications are made for work permits to fill similar positions, employers will be first directed by the Board to the Labour Office before any consideration is given to granting a Work Permit. This also applies to renewals and it is perhaps not a perfect system, but I believe that it will help if properly followed by all concerned.

No, Mr. President, no attempt can be or should be made to ignore this, for that would be foolish and reckless. But what we must all do in this country, is to work to maintain safety, stability and service so that our economy remains as strong as possible, so that our labour market can absorb all those entering the job market each year and that our own people will be encouraged to equip themselves so that they can fill job opportunities as they become available. This is a responsibility that we all share.

Much data has been collected and used to make the point that there has been a slowing down in the countries economic growth over the past 21 months. But in establishing this position, the point was clearly made in the Budget Address that an estimate of 9.5 per cent growth in 1990 compared to previous years is still a relatively substantial rate of growth. It went on to state that by world standards it is considered to be still a very muscular rate of growth.

So where are the accusers of yesterday claiming that the country is moving too fast? Today they are screaming that we are going too slow. But regardless of how Cayman's case is argued, the fact remains that while we must be vigilante and while there are some measures which can be taken locally, the indisputable facts are that the tourism industry which serves as our economic barometer is a fragile and fickle business.

It is highly exposed to external forces and furthermore, the world economic conditions and especially that of the United States of America, dictate to a great extent what happens to us here in the Cayman Islands. Even the experts have to agree that any crisis that affects the United States has profound effects elsewhere and this applies equally or even more so in the Cayman Islands than anywhere else. There is absolutely no getting around this.

In my estimation there is not one single Member of this House or elsewhere in these Islands, no Government regardless of their claim to fame or expertise who can create or maintain an economic boom in this Country when the rest of the world and especially the United States is in recession. The truth is that economic up swings or downturns are like inflation, all imported into the Cayman Islands.

Faced with the situation which has been established as known quantities from the past and the present, and taking into consideration the predictions for the coming year, one can readily accept the wisdom and see the need to strengthen controls on public expenditure as outlined in the Budget Address. One can see the need to contain recurrent expenditure which this year stood at some 97 per cent of recurrent revenue and next year will represent some 90 per cent.

The machinery of Government is becoming too big and costly. One can readily see the need to curtail further growth of the Service and the need to improve productivity. These are steps that any well run business must take in the face of the conditions outlined and projected and Government should be no exception. These must strictly be implemented and productivity improved if we are to continue on a stated course as pointed out in the Budget Address.

Some Opposition Members have hurled accusations at Government claiming that the restructuring of Finance Committee, the Constitutional Review and the refusal of the Elected Members of Executive Council to resign when called upon by them to do so has caused a slowing of the economy. I say not so; this is pure political propaganda! In my opinion if there is any development locally to which a slight slowing of growth in the economy or disturbed investor confidence is attributable, it is the behaviour of the Backbenchers and fears by both local and foreign interests that they may somehow succeed in seizing power. God knows they have tried everything, even to the extent of wanting to change the Constitution of the Cayman Islands, to suit their whims and fancies so that seven of them could put the four Elected Members of Executive Council out of office.

First of all it seems to me that some Backbenchers still do not understand, or have not accepted that this Country is not yet operated under any party system like the countries with which they have made comparison. If it were so, then perhaps changes would be made, and would have to be accepted.

Furthermore, let us look at the slow down that they are talking about. As far as Government revenue earnings performance is concerned, the amount of \$102,769,674 was budgeted for this year and the revised position is \$100,299,133 or approximately two per cent down on what Government expected to earn in revenue. It must be remembered that this is a forecast. We could very well end the year nearer to the amount originally budgeted in any case, but two per cent, this is what all the fuss is about. Yet the Backbenchers are trying to make the case that times are so bad.

It is true that we have had to draw down on Reserves to compensate for the large amount of Supplementary Expenditure that was necessary this year. But it must also be remembered that we did add \$6 million to General Reserves last year and even though it has been necessary to draw down on General Reserves, the country's Reserves still stand at a healthy \$11.8 million. Furthermore, when the decision was taken in the June Meeting this year to accept the Civil Servants and Pensioners Pay Package and to make it retroactive to January 1990, it was understood and accepted at that time that it would be necessary by the end of this year to draw down on General Reserves. So this should come as no surprise to anyone, unless it is being used as a tool. We certainly cannot have our cake and eat it too.

When we examined the amount of Supplementary Expenditure that was approved - and, incidentally, it should be noted these were approved by the Backbenchers too in Finance Committee, if not by all of them, at least the majority of them - when we examined that Supplementary Expenditure which stood at a large amount we found that these were all necessary and important items. Had these Government critics been in Government, I have to wonder which items they would have refused? Would it have been the amount that had to be ordered for scholarships? The amount for medical health services? Harbour and dock development? Or the amount for the Civil Service and Pensioners Pay Award? The West Bay Sewage Project

Claim? The \$14,000 which the Bodden Town By-Election cost? The cost of communications equipment? The loan to the Water Authority for Cayman Brac piped-water supply? Or would it have been the maintenance of school buildings? The contribution to Red Cross? The cost of agricultural supplies? The amount to MRCU for insecticide to keep the mosquitoes under control? Or would it have been the cost of the Drug Conference?

How many, and which, of these important public needs would they have denied? It is my considered opinion that those who are criticising Government could have done no better, if as well, what this Government has had to do to meet the pressing needs of the country.

I know that the country's debt and debt-servicing and the raising of loans to fund capital projects next year were all made much of by Backbenchers, but the Member for Communication and Works has dealt thoroughly with these in his presentation. He is a qualified accountant and well-equipped to deal with these accounting matters. We have the banker, the Member for Education still to speak and he can clear up any areas that may need it. So, I will not delve into an area where I may get in trouble.

I will conclude simply by saying that I think it is a realistic Budget. In 1991 we will make it, even if the going gets rough. I give my support to the Appropriation 1991 Bill, (1990). Thank-you.

**MR. PRESIDENT:**

Proceedings are suspended for fifteen minutes.

**AT 11:16 A.M. THE HOUSE SUSPENDED**

**AT 11:40 A.M. THE HOUSE RESUMED**

**MR. PRESIDENT:**

Proceedings are resumed. Does any Member wish to speak?

The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:**

Thank-you Mr. President.

I rise to offer my contribution on the Budget Address and to offer certain observations on the Estimates which are before the House for the year 1991.

The Budget Address presented by the Honourable Financial Secretary was the document which stated officially what Backbenchers have been saying for the past year and a half. That is, that the Government of the day is a Government which spends without thought as to where the money is coming from, how it will raise the money, who will pay the price and what effect it will have on the people.

The Financial Secretary rightly observed that we are living in a time when various parts of the world seem to be falling apart. Namely Eastern Europe, where the old order is becoming new and where the underlying element that is necessary to make it work is money. It is money that we are talking about in this particular time in our Legislature.

Expectations are rising in that part of the world because people are suddenly feeling the warm wind of freedom. While things happen there and it is so far away from us, it has a direct effect on us here from the point of view of tourism and also from the point of view as to the flow of the world's money.

We have no control over what really happens in the Cayman Islands as far as our financial well-being and economy goes, because to the largest extent it is influenced from the outside. The greatest influence and the closest to us that exerts direct influence on us, is what happens in the United States.

I disagree totally with the two Members of Government who said that a recession in the United States does not necessarily mean a recession in these Islands. It is not necessary. But surely, inevitably it happens.

It is clear from what the Financial Secretary has said in his Budget Address that times have caught up with us. We do not have limitless sources of money. We are not in control of our destiny as we think we are. We simply cannot spend as we feel on this project or the next project or something that will make someone's ego feel good, or some particular interest group to earn money from. The reality has caught up with us.

I wish to speak on various subject areas, and of what my feelings and beliefs are about the state of our economy and why it is so. However, many subjects have been raised by Government Members who have spoken. I would first like to refer to some of the points which they have raised and reply to them as I think it justly deserves. I would like to refer to some points made by the last speaker, the Member for Tourism.

This is a subject with which I have some experience. I have worked with it for a number of years and I certainly share his concern and belief and that of the Financial Secretary that Tourism plays the largest and most vital role in this economy. How well it does depends on us to a large extent and to the persons who manage it and to the people at large. It will be generally to the management of Tourism that I will try to direct my comments.

First of all, I wish to say that it is a sensible attitude of any Opposition to attempt to sell the public their ability that they can do a better job of managing the country. Thus they will be favoured over the Government of the day. Be it whichever one. Surely, as the Government is presently organised with the Portfolios as they are assigned, the Portfolio of Tourism is one which would have to be filled if there is a change of Government. As for coveting the Portfolio, I do not think that is the correct term, but, certainly, I believe it is a Portfolio that could ably be run by any number of persons on this side of the House.

I think that before any Government at the present time attempts



to claim a position that they are responsible for what has occurred in the area of tourism, they should be admonished to look back at how and when it really all started. Certainly, it was not this Government that got the present position or started it in real terms as it now exists.

The Member for Tourism has said that the Second Elected Member for Bodden Town has charged that he is a member of nonperformance.

Well, I would not comment on that, but surely with the performance of tourism in this country now, he has to bear the responsibility for it; he is the person responsible, and the one who must be criticised when there are areas that can be and should be improved or areas where it appears that there has been a lack of attention.

What I can certainly say is that while the Marine Parks Legislation, which is now considered so vital to tourism, came about in 1985, if I remember correctly it did not begin in 1985. In fact, the Government then simply carried on from what had been put in place. When I think of those times, I well recall serious objections in terms of spear guns and in terms of who could take lobsters and who could not. It all came about then.

What I would say about that, is that one can go to extremes in anything. The idea of creating a Marine Park or preserving our Marine heritage on a whole, has to be done in such a manner that it is simply not for the diving public, but it also provides for the needs and necessities of each and every single citizen of this country.

The Member stated that he chairs a committee which enforces standards and laws in this country, and that under his chairmanship there have been instances where a hotel and a condo have been closed. I think that is good. I believe if one has to maintain standards, there needs to be persons who will make decisions which are not necessarily popular.

What I wonder about is, whether this was done at the annual inspection or whether this committee and the Member keep a regular inspection going on these properties that they can be shut down or closed or penalised at any point in time in any given year. That, I think would be good and proper management.

Certainly, I think all of the Members of this House are aware and surely the workers in the hospitality industry are aware, that on the question of gratuities the Government needs to intercede to see that there is fair distribution of these gratuities. The Member is responsible for that. As has been noted by a previous speaker, it is impossible for 12 different means of distribution to be fair or can that create a standard for this nation in this particular field.

I know the years that I was involved with it, we were well aware that gratuities were not being given to the persons who they were intended for; the workers at certain levels down. We did not have the benefit of the Labour Law as the Member now has. It is clearly stated in that, who are due to get gratuities. It is a well-known fact that some properties steal the gratuities that should go to the employees; they do not even try to cover it up. There are those that collect, I am aware of at least one, 15 per cent and they will happily tell you that 5 per cent is for breakage, and so on, and the rest is distributed.

The Law says that the people for whom that was intended should receive it. It needs to be enforced in this country, as it has a direct link to the money which is available to the local people and, otherwise, who work in this society.

I suggest that the tourists who pay that 15 per cent or 10 per cent gratuity, pay it with the belief and understanding that the people, who are serving them and are working in these places, will receive it. I do know of a few instances where workers have complained to guests; that is one factor that cannot be good for tourism.

It was mentioned that street-vendors have been stopped in these Islands. Certainly I think the ugly and irritating image that street-vendors can cause and are seen in other tourist destinations, I know for that not to happen here, is a plus for our tourism.

However, here I would sound a warning note: there are some people, few in number I believe, who have certain cottage industries that have wares to sell and they do not wish, or they cannot necessarily sell to the outlets that have storefronts. Some means could be looked at for allowing those persons in areas where there is a lot of tourist movement, so they could sell their wares from a position or from a temporary shelter, whatever the case may be. There are many of these shelters that are ready-made in various parts of the world. The little deals that the tourist can get there, they would not necessarily get in the larger establishments. I am not suggesting to allow such persons to do so without the necessary licenses and all the rest.

It is a matter of opinion how good the present advertising agency employed by the Department of Tourism is. How capable it is, is a matter of opinion. We do know that there was one before this one and that individual would have sworn that they indeed, were the best. So, it is my opinion that rather than allow any advertising agency to believe that they have found all the answers for us, it is better to keep them on their toes by letting them realise that they are not the only advertising agency available to the Department of Tourism, and that Government is keeping wide open its option to change.

I do not dispute the fact that the Member has made the decision to advertise on television. But I certainly can see that it is not a new idea, because that has been in vogue for many, many years before this, under a different administration. The trouble in those times were that money was not spent to the same extent as it presently is. So, the major question that deserves an answer is, how much value are we getting for the money spent in advertising?

I asked a question, something to the same effect in this meeting of the House, and I received an answer. It appeared that if we took into account only the money spent in advertising and divided by the number of people who have arrived, we would have the best position in the world.

That cannot give a true position. A true position has to be when we can take the total cost of our whole tourism effort and see how many tourists there are in terms of the millions of dollars which are spent. This year there is an estimate and a request for something like an increase of \$1.6 million alone in this very area of advertising. Surely, the advertising agency must be smiling about that part of things.

Tourism is down, as it has been established. The question remains: Why is it down? Many theories can be advanced, but I believe one of the areas that needs the greatest scrutiny is right here in these Islands. What is our product really offering? Is it up to the standards that we could have it? The fact that this year we may have had 500,000 people visit these Islands does not necessarily mean that they spent any more than the 350,000 or 400,000 visitors the year before. It does not mean that.

So, the final act is not the numbers, but indeed, the numbers who come here with a willingness and an ability to spend. It behooves us to place ourselves in a position where we are offering goods and services for a price that is attractive, not just to the sophisticated and the affluent because they are, and I dare say will always be, in the minority. We need to cater in this country to all the different areas of tourism. Of course, logically we would favor those that would spend the most. Surely, we cannot stretch that logic to exclude those who have less to spend.

I think it is a fact that there are destinations in Eastern Europe where people will want to travel to. In fact, among themselves freed people will begin to travel like they never did before. I also believe that they are going to begin to find out what is next door, before they pay to come 5,000 miles across the Atlantic to these small Islands that they have not even heard of, and pay the large sums of money for air travel alone.

So, when we speak and wish to have European travellers come here, we ought to take that into account. The Member and the Department and all the sales agents ought to take that into account. It is not good enough to hire sales agents around the countries of Europe, simply to pay them a salary and to hope that they will convince people to come here.

We have another problem as well; the one of language barrier. I know for many years there was a representative in Germany, but I do question how many Germans came to the Cayman Islands during the time that I am thinking about. Certainly it was those who had the ability to understand English and could communicate to some extent in it.

There is another factor to take into account from that country, and I suppose in others, they are a very demanding tourist. What one advertises is what they buy and they demand that they have it. That is not my own theory; that point was raised in a number of seminars that I was a member of, by persons who were paid to know.

I do not advocate even for one moment discouraging the United States citizen from travelling to these Islands. Or for that matter, of setting up any kind of competition against them. I believe it is good not to have all one's eggs in one basket. Certainly the United States and Canada should not be excluded from our tourism efforts. It continues to be, and if we are smart, we are going to keep it where the U.S. tourists come to these Islands.

Why should the Cayman Islands not be a charter destination? I would suggest to the Member for Tourism that that is how it all began for Cayman. Those good charters that came out of Canada, that really started our tourism thing moving.

So, let us not at this stage, when we believe we have all the money in the world, as now we know we do not, begin to say we do not want charters, we do not need charters. I think if ever there was a time that we needed charters, particularly in view of the huge amounts of money paid to Cayman Airways, we had better have charters. They had better try to get a few of them.

I do not see us as having our image tarnished by CAL being able to say in Canada, in some European countries, in England or the United States that one can go to the Cayman Islands, but will have to go on a charter or a package deal. That is highly desirable, I believe.

Certainly in the game that is being played out now in the world with the oil crisis, and when the inevitable prices increase, the rich will always have. But the vast majority will have just that little bit less, or that large percent less, by having to pay for the energy which that petroleum produces.

As I listened to the Member for Tourism speak about the Report of the Lowanthal and Howarth firm on tourism for the Cayman Islands and that it was never laid on the Table, was never formally accepted here, I wondered, well had not the time come that the Member could lay that particular Report.

I have read that Report and certainly some of the recommendations were as real then, as they are now. One of them was, I clearly remember, that we should not rush headlong into building more tourist accommodations but we should take a slight breather and upgrade to acceptable standards what we have. Certainly then, too, the Report spoke about prices and out pricing ourselves.

There is lots of information as to what needs to be done. The problem is that we have to do it. That is where the Member's duty lies. He must insist that it be done, whatever it takes, whoever gets upset about having to do the right thing and many people do. We cannot, the management of this Government and its management, cannot shift from itself the responsibility to see that tourism works here by saying we have an aggressive marketing plan or that we have a good advertising company.

That company if I am not mistaken is in New York. That is quite a distance away and who is eye-balling that? Who checks on that? Who from this Island, this administration, or the Department of Tourism inspects at regular intervals, what is happening in all of the various points of the world where people are supposedly selling our tourism product?

These are the questions that have to be answered. Certainly one cannot excuse not doing the right thing by the fact that an employee in Miami or in the United Kingdom or in

Chicago, wherever, might become upset because they came under a bit of pressure from here. After all, we are footing the bill.

I know that our tourism group is one big happy family and you talk about people who cover the other ones' backs, I have seen that in action.

It is absolutely necessary that qualified Caymanians come into their own where they are taking over every facet of the tourism business. They are part of this Country. They stand to lose by the failure of tourism in this Country and I do not believe that anyone can be as concerned as our own people can.

It is not good enough to say that we have a Tourism School. There was one year ago. I believe that during the time when that was created by the late James M. Bodden, it produced more persons, in more areas of training and more levels and occupations within the tourism industry, than the larger amount that is being paid now. Instead of the old Public Works Compound, it is somewhere up in the Tower Building and from that it will be removed to super deluxe areas up here near the high school. The building does not produce the student. That is for sure.

A Government fails where it simply says, we have a school and that this has every facility and we turned out four or five students in this or whatever the case may be. I wonder just how much it is doing at this stage? I know at one time there were 20 or 23 persons doing the management course alone in the Hotel School. I do not know how many are doing it now? It would be interesting to see, and certainly those persons to the best of my knowledge who are now in a position of management in this country, came from that era and not this present one.

On the subject of Cayman Airways, I was somewhat stunned that the Member for Tourism said that he found and was convinced that purchasing the 737 aircraft and disposing of the 727 aircraft was the best thing, including the difference in the lease payment. That stretches my imagination because there seems to be an immense difference between \$109,000 per month to \$320,000 a month. Amounts which we are finding the greatest problem in meeting and the airline because of it, among other things, are losing business and are going in the red.

This question of Cayman Airways is one that needs to be addressed most seriously. It has to continue to be a political question as long as it is owned by the Cayman Islands Government and 'who' are the people of the Cayman Islands. It has to be questioned by their concerned representatives because it has taken and it is taking vast sums of money.

I wish to clarify that a bit because more than a year ago, this Government told the people of this Country that Cayman Airways was not the Government's business. It was a company that carried on its own business, in its own way, by itself. It was not the business of this Government that the change was made in its aircraft. But yet, it was the Government that was undertaking that very act.

It was said we owned nothing in the two aircraft which we had, yet this Government was able to sell that nothing for \$16 million. It is because of that money now that we are hearing, (I just want to remind the Government) that we do not want you Backbenchers to get into this because Cayman Airways is not asking for any money from Government to do what they are doing. We have money.

Well, that money is the money from those two planes which we did not own anything of. It is that money that the present management boasts about that they have and the Member reminds us in here that Cayman Airways is not seeking any money from Government.

That is not quite true. In this Budget there is \$1,050,000.00. Why is Government putting that into it if Government does not own it? Why is the Government expending money and has expended money if it is not the Governments?

I do not hear of any people who sound off that they are the riches in this Country, with post offices and otherwise. I do not hear them putting any money into it. They are not putting up any millions, it is the Government. It is the people's money that is going into it and so the people's representative must demand to know what is happening with that money.

When changes are made in the management, the people must know, the people have the right to question it. They have the right to question why are these changes being made in the face of a study which is supposed to be carried out? It is simply not good enough to say that the company has to make certain changes and so forth and so on, on an on-going basis and it cannot wait for a study. That big change that came about a few months ago was a change that supposedly was going to come about by this Government in 1985. It took five years and it was not a change. Because, I understand that it was purely a change of place and not a change of face in the one instance. What I wonder about, is how much more money has the company spent for that particular change? How much greater has the commitment on this Government become because of that change?

We talk about that \$29 million is the debt of this Government. If we were to add up all the commitments that the Cayman Islands Government has, like Cayman Airways if tomorrow it stopped, its accrued debt in pensions of \$32 million and all the other things that Government is ultimately responsible for, I do not believe that we would really shout so loudly. Particularly in this area.

Is it unreasonable that the representatives of the people should fear and inquire why the people involved with Cayman Airways are putting this Country into further financial obligations? It has no charters, there are no charters on line. So, what is the reason for the third aircraft?

One can only presume, and if I remember correctly there was also \$300,000 odd dollars which if the three of those go into operation, it is a \$1,000,000 a month that Cayman Airways must pay and it is a \$1,000,000 that the Cayman Islands Government is responsible for.

Irrespective of what anyone argues, until legal professionals show me in writing, that the Cayman Islands Government is not responsible for the debt of Cayman Airways, and

that the Government ultimately cannot be sued for Cayman Airways, then and only then will I believe the propaganda that is put out about Cayman Airways.

Swiss Air recommended a write-off of the loans that Government paid into its public company, or it was advised to take them in shares, because the balance sheet looked bad. It was simply doing what is the truth of the situation. One Government organization simply expending Government's funds in one way or the other.

In my opinion, it is not good logic when the Member for Tourism argues, that one of the reasons for disposing of the previous aircraft, was because of certain maintenance which had to be done and which the company could not meet. That would seem like bad management and I am wondering if that management is not with the airlines now? If it is, we are sure headed for trouble.

The question of Cayman Airways, and I will clearly state my position on it, is, and remains, the concern of Government in everything that is done. Because now from a position where it had assets, through the aircraft, it now has none. Because if we did not have any claims to those 727s', we sure do not have any claims to these 737s'. In fact, it is my understanding that if we were to become brave and stop the arrangement with that right now, we would still have to cough up \$12 million whether they are flying for us or not.

On the question of unemployment in this Country. This is not anything new to myself and my colleagues on the Backbench. We have been arguing this now for almost two years, that there is unemployment in this Country. It has been identified in the Financial Secretary's Address and he has given figures. They show to the concerned legislator cause for concern. Not for excuses to be made about it. Excuses are the order of the day of this Government. Its action is to leave things as they are; they will take care of themselves.

There were also excuses when Cayman Airways bought the Shorts. A bad deal obviously, \$1.2 million dollars. It is written down now to \$600,000 we hear and it still will not sell unless those persons involved write it down further yet. Perhaps some person who knows that there is a deal to be made, will buy it for a ridiculously low price. But I have concern about the affairs of this Government on a whole because one tries to elicit information and you hear one thing today and you hear another thing tomorrow.

An example of that in this particular instance is, I am made to understand that although the Member for Tourism a few days ago, told this House that the Short's aircraft was at Owen Roberts Airport being maintained by Cayman Airways maintenance crew, that aircraft is in Opa Locka and has been there since it went there and there is no intention of bringing it back. I wonder about things like that and I wonder what is the story on that Short's aircraft and what is the story on a lot of stories that we are not hearing about?

This Government is not in touch with the parochial needs of this Country. This Country is not getting its fair and due share. There are people out of work. Why is the tourism effort not getting those persons into jobs in the various districts? We know there are older persons, young persons, mothers, some fathers in the districts who could and would work if there was something to work at in the districts. Something like a small hotel, one or two small hotels. More condominiums.

I wonder what is truly being done to address this? I wonder how much it is advertised by the advertisement company in New York and by all of the area offices of the Department of Tourism that a moratorium has been placed on building of hotels on Seven Mile Beach, but it is wide open territory in every other district in these Islands? And the real kicker is that every bit of material can be brought in for that hotel free of Custom Duty. I fail to see why in the time that we have put on that moratorium, that there has not been some hotels in the other districts of this Island. How well is that sold? Because certainly it has to be an attractive part of that situation that Customs Duties of this Country will not be charged on the materials that are coming in.

I say that in the face of the fact that I was one who voted for the moratorium on the Seven Mile Beach because I believe that there is a handful of greedy people in the commercial activities here who want everything here, it is closer to them and they do not really want to see it go out into the other districts.

So, it did not hurt growth in the Cayman Islands as such, it simply stopped the growing on the Seven Mile Beach because it has become too large. What is the reason, what is the excuse for that? How well has that been advertised? It certainly most surely could provide jobs in the various districts for these people who are willing and able to work but they have to be within the limits of their district to do so. They cannot simply find it possible to leave and to come into the George Town or on the West Bay Beach to work. They have needs at home that have to be addressed but they could share their time.

The unemployment figure also brought out something else that we as Backbenchers have been saying and that is there are a large number of school leavers in this society that are not employed.

Now, I do not for one minute say there are not some who might not believe that they should become a bank manager, because there are those who really stretch their imagination to that extent, that they should be right now. And, there are those who because they cannot get the job that they believe they would like, that they may not choose to work or they may not be unemployed because of that. But, I do say that there are many who have tried and have simply be turned down, including in the hospitality industry. Because, there are those of us who know, that the hospitality industry in some quarters and to quite a large extent prefer importing workers to take the jobs there.

The Member spoke about the problems in this Country and he referred to the fact that there is a problem in this Country because of the behavior of the Backbenchers of which I am one, so collectively called. I want to say to the Member that he can be assured, particularly in the world of

today, that the world at large understands majority versus minority rule. He knows and every Member of this Government knows that the reality of our situation is such that we are in a minority rule position.

It is true that Backbenchers voted for much Supplementary Expenditure as has been approved in this House. That Supplementary Expenditure was brought to this House by the appropriate authorities in Government and even though we may have our gravest doubts about the ability of the Government to manage, particularly manage properly from a fiscal point of view, we must accept that the Government sees a need for the expenditure in the particular areas, that they bring to the Finance Committee.

Not that the Backbenchers really matter at this stage, because the Government can do as they choose with the finances of the Country. That does not really enter the area of argument. Most of my colleagues and I voted for these finances expecting that the Government was keeping some sort of tabs on the financial position the Country was slipping into. So no attempt to push that responsibility on our side will work.

For that matter, as recent of June of this year, the Government was showing large Reserves and Surplus and suddenly they have taken it from that position to where now we are lined up to borrow the money for our Capital expenditure.

I recall in the last meeting of the Finance Committee, the Third Elected Member for George Town made the remark that he hopes the Government knows whether or not they have the money to pay, or the money is available for the supplementaries which they were bringing to the Finance Committee. It seems as if it did not.

Certainly a little later on, I wish to speak about some of the areas in the Estimates that it really does not matter. Irrespective of what the financial position is, the grandiose schemes are still ever present. The Government wishes to have the money to do as they think fit.

Any expenditure of money has to be a concern of any good Government. Including, and as a good example, the money which is being spent, or will be spent, on what is, or has been, going on Tourism Awareness Week.

I have heard ads on the radio; there have been ads in the papers, and there have been kits made. I think that the fundamental principle of wishing this country to become aware of the vital roll played by tourism is a good thing. Again, that is not new because that came into effect under the management of another Member for Tourism, but something that needs to be taken into account, is (and accepting that a smile usually will beget another), there are more ways of making people smile than smiling at them. You can give them a good deal where they feel they have spent their money well and got value for it. That is an automatic smile and they carry that smile on and on outside of these shores.

**MR. PRESIDENT:** Is it all right to take the break there?

**MR. GILBERT A. McLEAN:** Yes, Mr. President.

**MR. PRESIDENT:** Proceedings are suspended until 2:15 PM.

#### AT 12:46 P.M. THE HOUSE SUSPENDED

#### HOUSE RESUMED AT 2:25 P.M.

**MR. PRESIDENT:** Proceedings are resumed, seeing as we have the magic number of seven. The Second Elected Member for Cayman Brac and Little Cayman, continuing.

**MR. GILBERT A. McLEAN:** Thank you, Mr. President.

When we adjourned for lunch I was speaking on the matter of Backbenchers voting Supplementary Expenditure and I noted that, yes, we did vote for a number of sums of money for various projects and various instances; but I believed it was true to say that our expectation was that the Government was bringing realistic sums of money to be voted and that they were conscious of the financial state of affairs of the country.

Two other Members have spoken and there are some points they have raised which I would like to refer to and, in this particular instance, in the debate of the Member responsible for Health, he noted in the beginning of his speech that there are presently in the Civil Service conditions which amount to resistance to change by civil servants. This was put forward as being some of the reasons for the difficulty or inability of the Government (of which he is a part) to achieve certain courses of action.

I am not here to say that this may not be true, because I believe that such is the case to some degree in the Civil Service. It is perhaps a natural condition of the Civil Service in that there is what is quite well known as security of tenure. Conditions such as these develop, however. I contend that where there is resistance in the proper functioning of things, the Civil Service, where it is required to act in a certain way on a certain matter, is obliged to do so by regulations, and that any Member of Government can insist upon seeing that the policies laid down are carried out.

Although under the present Constitution, Elected Members are far afield from being able to directly deal with matters, there is in the organisational structure of the Government the means by which this can be done.

However, I will not accept the argument that the state of affairs of the country has been brought about by any opposition from Backbenchers. Because the opposition that we can give is here, when the House is in session, which is four times a year and what we may be able to say from a political platform. The day to day management of Government rests with the Members of Executive Council. What

is done or not done is a direct result of what they do or do not do.

He noted also that one of the things the Backbenchers did was make a trip to London which in effect implied that we made representations against the Government which perhaps may have made their management more difficult. All I would say on that is that I am glad that I was one of those Members of this Legislature who went to the United Kingdom and had the opportunity of meeting with Officials of the Foreign and Commonwealth Office. What I can confirm is that we discussed a wide range of subjects and we surely did not fail to put forward the other point of view to these Officials on various matters.

Personally, I am convinced that it was good that this trip was made. I believe that through those representations the Foreign and Commonwealth Office, or the Officials with responsibility for these Islands, were urged to take a closer look into what happens here. Personally I think that has come about because in recent times we have had the visit of two Officials and we were told that there should also be a visit from the Minister of State with responsibilities for these Islands. I will commit and I believe much can be achieved by dialogue between such Officials and Elected Members of this country who can represent to these people far removed, thousands of miles away, as to what is actually happening here.

I do not believe that the present slowdown in the economy is by an decisions made in Executive Council. If those decisions were made, certainly I do not know how they were implemented. There are things which I think slowed down the economy, and which is as I indicated earlier in my speech, I would hope to address in a little more detail.

He referred to the Government's Pension Plan which was scuttled by interest groups and popularity seeking politicians. I do not know precisely who he referred to. I think it would be most unfortunate for any politician to seek popularity by scuttling something which, if properly instituted, is in the interest of the better welfare of this community.

He noted that the Chamber of Commerce particularly has come out in the strongest way possible against it and I think that is true with various ads and so on.

I could not in all honesty and truth say that I believe that the Cayman Islands should not have some form of Pension for its people. As little as anyone might accept or know, it is actually set down in international convention that each country should strive to have some form of Pension for its citizens.

While I am not here to discuss the merits or demerits of the position advanced by the Member, or that advanced by the Chamber of Commerce, I do take note that while there seems to be extreme resistance to changes which would bring about certain vital changes for those who fight the hardest against, little seems to be done to take up the slack and offer an alternative to that. In this case some has been mooted, but I dare say there is argument on both sides.

Personally I think we have too many Governments in the Cayman Islands: We have the 'government' according to Cable and Wireless, the 'government' according to Caribbean Utilities, the 'government' according to the Chamber of Commerce and then we have the Government. I make that statement, as I said it is a personal statement of mine, and I could advance various arguments for why I feel that way. I do believe that the Government, as the Government elected by the people, has to be the main and moving force that takes into account the wishes and the aspirations, and the representations of all such groups and come up with a position that is most acceptable to the people at large.

I will say that when I consciously think of the fact that, as has come out in this meeting, there are 300 people in this society on a regular dole and who have to have that money that is given to them. They would meet the severest hardship if it was not there.

Something ought to be done in terms of creating a pensionable position in this country, something where the public at large can benefit from. I do not believe that the Member would be filling his full responsibility if he simply left what he has started for someone else to do. If it needs to be altered, be changed, the responsibility lies with him to do it.

As I said earlier in my speech, the responsibility for Government lies with the people who are charged with the responsibility and I do not believe any of us on the Backbench are prepared to assume that responsibility. Not when it is not our responsibility to do.

I am one who did not agree to and fought against the acceptance of introducing into the Budget last year at Budget time, the money that was being sought for a new hospital. Up until now, I still have serious reservations about what has been proposed by the Member and by International Health Care Cooperation as being the answer for the Hospital needs and the Healthcare needs in this Country.

I am not convinced that this Country needs two Hospitals as a solution for one, be they divided by specialist care or not. I cannot see how that can be in the best interest of this country, in terms of cost, costs and every mounting costs.

I think there are specialists available in this field whose business is that of Healthcare, design of Healthcare systems and of health facilities. What has been done today and what Government has spent money on to date has not proven to be the best advantage in all instances, right up until now.

I still contend that other persons, other than IHC should be brought into this process. The fact is that it appears to me that this particular company in each instance that it makes a recommendation, it recommends itself into the job that it is proposing.

If we are going to say that competition is such a good thing, if it is a free market, then it must be in all such cases. It cannot be that way in some and not that way in others.

The Member for Health made the point that the Budget this year has been presented in a different format than it has been before. I suppose in some ways, that could be so.

But I do not believe that because of the way this Budget was presented, did it in any way reflect inaccurately what is the very worrisome position of the Government.

There is obviously a solution for this particular condition. The Government can easily sit down and resolve what format they wish the presentation of its Budget to take. That is not shocking or unreasonable to my mind. However as I said, I do not think that this Budget in any way has reflected any inaccuracies and I can say here that I personally believe it has presented an extremely clear picture in all of the important areas that need to be taken into account in this country.

It has presented figures that we did not have before and of course, most importantly, it has shown what we actually have, what we intend to spend that we do not have, and of course, where that places us in terms of debt. I certainly do not agree that there is really no deficit.

I suppose that it is true, Government has much money owed to it. The Member said, that it was actually more than the total which the Government owes.

I cannot buy that either, because in the same way as I do not accept, as has been said by the Member for Communications and Works, that because the Government has assumed the liability and underwritten loans, or made it possible for statutory bodies to take loans which are self-financing, does not mean that Government does not have the responsibility ultimately for repaying those loans.

If the Member was speaking about the fact that the monies owed or borrowed, as the case may be, from the statutory boards from Government, that would far exceed Governments debt, then I stand not convinced about that.

What is very clear is that Government is in a serious financial position. Because the Estimates of Revenues and Expenditure is filled with \$10 votes, token votes as they are called. There is no way that the Government can effectively show that the reason why there are so many \$10 votes is because the various projects have not gone through the project cycles and so that is why the \$10 votes are there. There cannot be that many cycles that these various things have to go through.

What I argue is the fact that these are areas that need to be addressed, but there is simply not the money to do it with. And, if an attempt was to be made, the money which is being borrowed or recommended to be borrowed for Capital, would simply be increased, many, many times over.

Members of this Backbench cannot be blamed for having their wish list as the Member said. The Second Member for Bodden Town and the Third Member for George Town are supposed to have wish lists. All of us are supposed to have wish lists because we realize that if we put out every effort to help in our individual districts, to see that those districts get as far as possible what they need, collectively those districts make up the country and so the country gets what it needs.

One thing that I do not accept that the country needs and which was raised by the Member for Health is \$1 million out of the 1991 Budget to go for design of the Hospital which he has recommended to be built.

I cannot in all good faith, conscience, common sense or otherwise believe that this country of 25,000 people, 15,000 of whom are working, and almost 10,000 of who are expatriates, can properly, sensibly get to the point where we are dishing out a \$1 million to anyone to design a Hospital. It has to be able to be done cheaper.

There have to be in this world firms who have dozens and hundreds and thousands of Hospital designs available that can be adapted to our situation here. I certainly do not agree to this and I will not agree to it. I have not agreed to it in the past and I will not change my position on that.

The thing that bothers me also, is that this \$1 million, I am convinced, is one more instance where International Health Care will become the recipient of it.

I do not try at anytime or say that a district should not get what it needs. However, I find that the amount in the Budget of \$270,000 for a Post Office in the Member's district to be extravagant at best. I cannot see how the district, taking into account the population, and taking into account what exists now, would have the need for a Post Office which costs that kind of money. Unless it became something, as has been suggested by the First and Third Elected Members for West Bay, a complex, to be set up which will do more than just be a Post Office. Taxes and fees and so on could be collected there.

However, that would not hold either, since one Head of Department shot down what was proposed, as he did not think it fit there should be the collection of taxes and licences and so on in the West Bay District. I assume that the same thing would apply in the North Side District.

I certainly trust that the Member has some facts and figures from the Public Works, or whatever, that he could possibly justify this kind of expenditure.

It is not true that Members of this Backbench have advocated a Juvenile Centre simply for having such a centre. I do not believe for one moment that if Government was to build one, it would make ourselves happy simply to see it built, whether there were no children to be put in it or not.

We contend that it needs to be built because there are children who need to be able to be placed in such a facility rather than be put in Northward Prison or the lock-up downtown to be held as the case may be. We need a place in Cayman and the philosophy of the Government that has advanced the idea of the Member for Health that, if we need to have rehabilitated service, we send them overseas. If we have a problem with delinquency, we send them overseas.

The sorrowful state of affairs of this Countries finances, shows that that has to be very, very bad logic indeed. Our needs are here, our needs are not in Miami or in Minnesota or in Jamaica, they are here. They are our children, we have to correct them and keep them here within the boundary of our country.

Of course, the Member knows that none of us on this Backbench believes for one moment that the changes in the Finance Committee did not sound a very loud and

ringing knell on the state of affairs in this Country.

The Member for Communications spoke at length on various aspects related to his Portfolio and on aspects related to the Budget. I surely would not say that I am going to attempt to argue the postulations that he put forward as, my friend the Third Elected Member for West Bay covered in greatest detail and in an extremely simplified manner, what the state of the affairs of this Country in terms of its finances are.

If he thinks that means political rhetoric, well so be it. But surely even he must know that if a recession hits the United States it necessarily means that it is going to hit here too.

In the years when he was speaking about the recession in the United States and we were doing a booming business here, they were the days long past when money was around by the suitcases full, the United States certainly put an end to that.

I agree that the way Government's financing is done, an estimate is at best a guesstimate, but that is the main reason why a Government should be warned not to be reckless and adventurous when it comes to spending the monies which is limited.

There is something that has come to life in this Country called the Master Ground Transportation Plan. Last year it was a major conflict or battle, shall we say, between the Backbench Opposition and this Legislature and the Government particularly the Member for Communications & Works, who wanted at all costs to see that Plan implemented.

That Plan has to run in the hundreds of millions of dollars for a little island like Grand Cayman and more particularly, mostly for George Town and a part of West Bay. I and six of my other colleagues stood against it because we could not accept or believe that this country needed something as grandiose as was put forward by the Member. I most surely did not believe it then, and I certainly do not believe it now.

It is immaterial that the Government tries in some instances to say that the woes which they have brought on this Country through their bad financial management is because the Master Ground Transportation Plan did not get approval. They ought to listen to that other part of the population of these Islands who are so very grateful that it was stopped.

The Member is now bringing that back under something called the Cayman Roads Improvement Plan Study. As one Member speaking earlier said, a rose by any other name is just as sweet, well this rose by this name is just as smelly. I still do not believe that this is what this country needs or that this is a priority in this country.

Hundreds of thousands of dollars were spent on the three volume report on this. The facts are there, although perhaps some of the figures and so on need updating. I can agree to that.

Last year in the Budget there was a quarter of a million dollars voted for its wind-up and supposedly then, there were in place, persons who were studying that and who were tailoring it and fine tuning it to do the amount of the work which was necessary.

It is not good enough for the Member to suggest, that the Backbenchers offer no alternative, nor is it true. We clearly said to the Member, widen the West Bay Road, if you are so concerned that the traffic is not moving fast enough. None of us believe that by the year 1992 there will be no cars moving on West Bay Road. None of us. Irrespective of how much that is preached, that is nonsense. They will be moving at the same speed they are moving now, perhaps they may be moving faster - for some reason people might get up a bit earlier and get out before they hit a traffic jam.

This thing of the Master Ground Transportation Plan and the putting into place corridors; causes me to reflect that out of the first venture one man alone received \$50,000 as compensation for having condemned his land for the time it was condemned and another one \$13,000. How can that be good sense in terms of doing something in this country at this time, or even then, to the extent that it can put Government in this kind of liability?

In today's paper it states that the committee to study the road improvement plan could go into action if the Backbench Members were to give the Member two names from this side who would serve on that committee.

Well I cannot speak for my other colleagues, but this is one name that will not go forward, not mine. Certainly, I believe that we know the roads that need to be fixed. The numerous roads in Grand Cayman and in Cayman Brac, where roads which already exist that could be improved by fixing the edges or the shoulders that drop off six, eight or 10 inches that can destroy the undercarriage of a car. There are numerous pot-holes that exist in roads here, right in the centre of town. Government could undertake to simply improve the roads we now have and bring them up to standard. I do not hear any shouts from the public at large that getting the MGTP road is the greatest need of the Cayman Islands.

In my view, if new roads are to be built, let the Government assist in getting roads into farmlands in the interior so that farmers can reach it, since we are now getting to the point where we are recognizing the benefit of some agricultural effort. They could give assistance for roads which are badly run down, have never been tarmaced or otherwise and which could help the quality of life in various districts, if they were improved.

If the Member is, as he says, committed to the MGTP and the Jennett T, so be it. I most surely will not be committed with him or to the argument that there is such a congestion for people who work in the buildings that are on either side of the Jennett T.

These people built the buildings because they wanted to build them there. People work in them full well knowing that they must come out to the main road opposite the Court House to get back into the flow of traffic. What would be the use of having this T, if traffic is going to pour out on



Shedden Road which is one of the most densely used roads, or pour it out on Mary Street? What is the idea of creating three junctions to congest traffic more than it is now?

I can not really see it, not that. But, I can see a move that if that is done, then we will have to go a bit further because after all we have created a traffic block there now, so we have to do some more. I definitely will not have any part of this scheme and I would like for my position to be known on it.

The Lands and Survey Department show that there are people who are not buying, selling or transferring land as before, because this is down. I can well understand because the tax package which came about here in July, increased in some instances the Stamp Duty up to 10 per cent. Add to that the fact that there is uncertainty in the community, people are not spending in this area as they did before.

Most reports are about Government spending, including the new trunking system which has been installed. I am all for improvements where improvements are necessary. I have been told by various departments that their communications systems was lacking in various areas. It was not functioning as well as it should and so if there has been a move to improve this, I am very glad to hear that. Certainly it has been one of the most expensive undertakings in this Government within the past year. Going into the millions of dollars.

I would hope that the agreement between the Government and the suppliers, is tied real tight so that the Government has not bought equipment so sophisticated that it finds itself, due to that, almost useless to the average person who might have to use it. Or that every time something breaks down on it, a part will not cost a fortune. These are the concerns which I have.

I take the point as made by my friend the First Elected Member for Bodden Town, that the siting of the heart of this system is not necessarily in the most appropriate place.

Having visited Northward Prison fairly recently I would think that there are certain security measures that can be taken to make sure that that building is properly surrounded by wire and so on to keep out persons who are unauthorized.

There are times during the day when the Cayman Brac Police Station is closed, and you call there but no one answers. I understand that this will now correct that situation so that if a call goes in there, one of the things that I am told it will do, is to provide the means by which police officers in Cayman Brac when they are not in the office, can take the call. The equipment will relay that call to the police car. Certainly that will be a blessing in that district, because it has been a bone of contention for some time.

The situation with the MRCU, is one I am sure all of us are grateful for the work which it has done, and I would point out that mosquitoes do not just bite the visitors to this Island, they bite all of us. So it is not as if it is for any one particular group at all. They have no prejudice whatsoever.

What I would like to see the MRCU attempt to do, is not just to control mosquitoes in these Islands, I would like to see them eradicated. I say that believing that there have been too many years that insecticides have been sprayed into the atmosphere, collected on the roof tops and gone into cisterns. People have breathed those chemicals and I do not believe it makes us a healthier people for it. Perhaps it might be time to re-look at what is the function of the MRCU, rather than just control. Perhaps the time has come to eradicate. I feel sure it can be done. It will cost as it is costing now, but I believe there are ways and means of doing it.

I for one do not believe that the chemicals cannot be used in the swamps to stop the problem with mosquitoes because who are we protecting there? Hunters cannot even hunt the ducks in those swamps and ponds anymore, so perhaps the time has come to rid the country of mosquitoes once and for all.

**MR. PRESIDENT:** Should we take the break there?

**MR. GILBERT A. McLEAN:** Yes.

**MR. PRESIDENT:** Proceedings are suspended for 15 minutes.

**AT 3:18 PM THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 3:49 PM**

**MR. PRESIDENT:** Proceedings are resumed, the Second Elected Member for Cayman Brac and Little Cayman, continuing.

**MR. GILBERT A. McLEAN:** Thank you, Mr. President. When we took the tea break I was referring to subjects raised by the Member for Communications and Works and one of those subjects was the subject of agriculture.

I believe that there is a place for agriculture in the Cayman Islands. I am very happy to know that there are still some Caymanians who attend to agricultural activity on a fairly large basis. I do know of at least two persons who earn a livelihood from agriculture and one of those person very worthy of mention was, a former Member of this Legislature, Mr. Franklin Smith.

I well remember how he had on many occasions fun poked at him because of his intense way of insisting that agriculture is something that can work, but it needs Government help to make it work. Well, the Backbenchers last year, certainly took this point of view that it needed some

assistance and in redistributing the money for the year into various areas, one of the areas that was taken into consideration was agriculture when money for a bull-dozer was put in. There was also the recommendation that as for animal husbandry, we should attempt to get some slaughter houses in the various districts.

Now I see that the Member for Communications & Agriculture has taken on to this in a very big way and as usual it expresses itself in consultancies. A study has been done, a proposal has been made and this year the resounding amount of \$917,000 is being suggested in the Budget for agriculture.

It has been noted in the Address of the Financial Secretary a need for producing things locally, from the agricultural market and I support that. But as is usual, for example, when there is nonperformance in a particular department, this Government seems to say to build a bigger building.

It appears to me now that what is being recommended in the Budget is this vast sum of money that will bring in experts, from wherever, to pay them large sums of money, while simple things like a feeder road to the agricultural areas in these Islands is over-looked.

I personally am prepared to support agriculture in the way that I believe is practical and makes sense and to assist those persons who are now in that field and to assist those who might genuinely want to enter that. But, as for setting up high flown labs and bringing in chemists and all of that stuff, I certainly cannot subscribe to that particular position.

I believe that the farmers and farming and agriculture right now can be helped by assisting, wherever possible, farmers to get labourers that they badly need and mostly can be found from abroad; for providing loans which will give them the ability to purchase the plants that they need; to be able to meet their labour costs initially until they can harvest their crops and in providing loans generally to the persons in agriculture. I think the case can be helped where, for example, the prison might be persuaded to purchase local beef from those persons who produce it, rather than (as I now understand) buying this from overseas. These are the ways in which agriculture can be helped, in practical ways and it does not require large sums of money as apparently is being suggested in the Budget.

The Member in speaking to this did not mention what kind of subsidy there was paid to the Farmers Market, but it is my understanding that financially they may not be meeting the very best times and attention to that type of condition is where I believe more meaningful assistance can be given.

Postal Services: I think it is very essential to have good Postal Services and I think ours, compared to many, is good. There is undoubtedly need for improvement. I have heard a new post office being talked about for nigh on to two years and there is more consultancy again apparently for that. Why is it, that at least as a first step, it is not possible to assist the public and to assist the revenue collection by making it easier to go in there to get some stamps? Improve simple things, like chairs for the workers who are selling stamps all day; taking in 10 cents, five cents, 25 cents, why cannot something be done in that case? Why cannot a ceiling be put in and some lights in what is really a dark and dismal area, once you step inside the door?

It appears to me that the impression of the Government of the day is everything has to go to a grand scale. If it does not come into the millions, then it is not worth very much.

The Member for Communication & Works gave full very pathetic oscillation to the Public Works Department from top to bottom. I think that that was for the airwaves as he knows and I know that there are other opinions expressed within these hallowed Chambers from time to time.

What I have to say regarding the Public Works Department, is what I observe and from what information I can glean. I do know that from November of last year various sums of money were voted for various projects to be undertaken. Roads, boat ramps, you name it. It was not until April/May that supposedly what was needed and wanted was hardened up in coming on line to be performed. Lots of that money will fall away or it will get spent in other areas.

Road work which was specified for example in West Bay, we understand has fallen to the ditch and in various instances work has not been performed. I am not accusing the Public Works of having to do all of this work because we were clearly told by the Head of that Department that the Public Works can only undertake so much in any given year.

What I do marvel at is what is so hard about putting other work out to tender? Why is it that we are looking Christmas in the face and there is work not done, expectations not satisfied? If that department is set up as the information that was given here, in reply to a question, into various sections, it strikes me like those sections are specialty sections.

Why if there is a drawing to be made of some building or the other, why is it not taken in wherever? The client be the department, could give a general idea of what they want and why is it not possible that that department cannot produce a drawing, a working drawing and get on with the work?

There is something I note that has monetary significance. It strikes me a Head of Department should when they want 400 square feet of office space for something, specify where they want this and where they want that and where they want the next thing. It would strike me that they simply express their wants, set it out on a request form and that then is the business of the architects, the designers and the engineers and all of those to give what is best in those particular circumstances.

I must say I am aware of some instances where I hear such and such is not being done because a Head of Department, or, so and so says something or the other. I really believe that we have to get to a realistic point to let those persons who know, who are being paid for what they know, do the planning and have the work executed.

Much criticism can be levied, I dare say, at this department in terms of what appears not to be performance. But then we do not have the same access to know as does the

Member responsible. The Member should look into and do something about what is obviously not a happy state of affairs. Taking into account that the Public Works is not a revenue earning department, but a service department and it spends.

One thing has been noted by the Financial Secretary and that is that the Civil Service has grown to an extent that everybody now suddenly seems to believe something ought to be done about reducing it.

When the recent increase of salary came into effect I made the point that I thought with that should have gone a complete and thorough O & M study so has to identify areas where there may be duplication and to identify areas where there is too much staff; where work could be redistributed and that work could be performed better and training could be given where that was necessary. Up until now, I have not heard of too much being done by this particular unit and I do not necessarily believe it is not the will of the specialists who are there to do it. I think the bottle necks and the stumbling blocks lie somewhere within the Civil Service itself.

I am wondering if egos are clogging up the works. There is hardly any use of having Organisation and Management Officers to do what they are trained to do, if you do not have them do it. Savings I believe can be realised by proper O & M studies in every department of Government. In my opinion the increases or the savings can be so large that it will be possible to enhance salaries all around. Certainly those who might be undertaking more work - satisfy them. Work can flow better and there can be a considerable savings to Government.

Within the cost associated with the Civil Service is what I understand called a Contracted Officers Supplement. Where 15 per cent of the basic salary of these Officers are paid to them each month. This runs in the millions. I understand that is also considered fair by the Government and it represents what would be coming to them if they were getting pension. It is calculated roughly in that area. Well if that is the case, I wonder what civil servants generally feel about it? Because how does one wait until they reach 55 or 60 to get something which some of their colleagues are getting every 30 days? How can that be fair? And I ask the question, does that put on a heavier financial load on this Country at this time?

Civil Service is the machinery of Government. It is there to implement and carry out policy. For that, it is rewarded in different ways, as in security of tenure and pension, if one is seen fit by the Governor so to have. Pensions are not there as a right.

I personally believe that should be changed and changed forthright. Particularly in view of the fact that this Country is expending millions of dollars this year and in years to come where they are paying other civil servants or some civil servants 15 per cent over and above their basic salary.

I am concerned that I have heard a number of instances where the relationship between the political directorate and the Civil Service is not all that it should be and could be; and that the Civil Service machinery might be frustrating the attempts of Elected Members particularly to carry out their policies. If that is the case it is unfortunate because there is the expending of energy, time and money.

It is my position that the Civil Service must carry out the policies given to it. As a whole and as individuals. Where an individual, for example, cannot carry out the policy of any political directorate at any given point in time, then there are basically only two things open to them that is right and proper: seek a transfer or quit the job. So while I support the Civil Service, and I will always feel close to it, if these conditions exist they ought to be corrected forthwith.

In bringing the Civil Service to what it should be, I believe that we are far enough behind and that the Civil Service needs training overall so badly that any right thinking Government should institute a programme of an intense nature to correct problems that exist therein. I believe that it needs to be set up in the Service clearly in each department a hierarchy, an organizational structure that every person in there from the top to the bottom is aware of. Everyone knows in that place who is reporting to whom, what you report on and when you report. I believe that training is desperately needed within the Civil Service because of the extent of services it is expected to carry out. I believe the institution of work manuals or procedural manuals is essential for every single job in the Civil Service. I suggest that that is perhaps the only known and practical way that one can bring about a quick and effective change within any organisation where one seeks to improve the performance.

What is sure, and it is said in the Budget Address, is that there is concern about its size. The country cannot afford to pay simply for persons to be on a job. It must undertake to pay maximum dollar for the efficient performance of work on the job. All of this ties into training and into education. The demand is constantly mounting on the public sector and on Government to provide more service and for more competent persons. We cannot spare a single member of this society to be lost to drugs; to be turned out of school at 10 years of age; to be sent off to places other than this Island where they supposedly will be helped but often hindered; and there has to be, if we are to survive in the demands now on this country, clear educational policies.

Policies which can be clearly identified in terms of hard data and statistical facts so we know how many we are producing. We know what levels we are producing them at, what areas they are qualified in and that they are having the encouragement from the Government that they are vital entities within this society. I say that that is not happening now, and that is largely the case because of a Government that is not unduly concerned and in some instances, simply does not care. They get rid of the problem but the problem goes on the street and the problem affects this society and the lives of people.

In speaking about revenue earning and savings this Government is inconsistent because one of its first acts was to take a four per cent tax off condominiums that came into being in 1984. Yet it came forward with from seven and a half to a 10 per cent increase in July. Up until now

the impact fees that have been suggested way back in 1980 (it may have been 1985) by the University of Tennessee on development, have not been done. It has since been suggested by the First Elected Member for Bodden Town and the First Elected Member for West Bay, in bringing a Motion here about new revenue areas.

It clearly stated impact fees would work, there were lots of land on which development could be done. Leave the North Sound alone. It has happened right in the reverse. That is the kind of Government management that has been going on since those times. That is the reason for problems we are having - not enough revenue and spend, spend, spend!

We cannot talk about tourism and preserving the marine life, which is one of our main attractions, when we allow dredging that is killing a major part of it.

I wonder how well the cottage industry in this country which could produce revenue and actually bring in hard currency is being developed? For example how much has been done at the area in West Bay called Hell? If my understanding is correct, that Post Office there is yet to be opened. I wonder if it is ever going to be and the reason why it has not been? Is that because of the effort of another past administration? How well is it advertised in brochures? Certainly not in the Cayman Map and Visitors Guide. It is not given a very big place at all, in colour or otherwise, but a little section on page 46. It is an attraction. Are we going to buy any land or the land that is now called Hell, a particular rock formation, are we making any attempts to purchase that, I wonder? I see money in the Budget for purchasing land. Which land? There is no explanation for it.

There are many, many areas of need in the Cayman Islands. I do not believe that this Government is directing its efforts in the right direction, because it seems to me to be largely into building buildings and into grandiose roads and into hospitals of such magnitude that one wonders if they even exist in developed countries.

If this country is to survive, and if the quality of life is to be improved for the people, then the Government needs to direct its thinking in areas of development that will have more direct effect on assisting the people.

If they want to argue to stop building the hotels on Seven Mile Beach, fine. Then put in place a programme that we are going to put large scale effort into building houses so that people are going to own houses. They are going to create a means by which people can own their houses. Most essential in anyone's lifetime and is perhaps the most valuable thing a person will ever own. I am saying that one of the areas that it can look at in this particular respect, is looking at not bringing into play such demanding building codes which go over and beyond what this Island needs.

I have inquired about this from various people who know; I am not guessing this. I am told that Government buildings are now costing such large sums of money because of some of the excessive requirements of steel and other materials which are required. Why can we not arrive at a position where good common sense and practical thinking prevails over grandiose dreams?

I believe it is time to look at the methods of construction, and what is being allowed in this country for home building. There are other materials available other than concrete blocks. There are pre-engineered, pre-fabricated homes that are as strong and can withstand as much wind and rain as any concrete house. Moreover, they are cheaper. More persons could own homes if there was a rethinking as to what changes could be made in this direction. Where I am concerned, that should be a paramount concern, that people can own homes in this country. It would reduce the cost and amount of labour that is necessary here if we looked into this particular area.

It has been suggested that I am a one-entry bookkeeper. I suppose in some ways that I am. If that means that I look at the cost of something, that is quite true. Before we go into large expenditures be it for new aircraft; a new post office; a new hospital; new roads or whatever, the most important factor to be taken into account, I contend is what will be the cost? If we can clearly identify the cost, not guesstimates or ball-park figures, then we have to look at how we will attempt to find that money.

Do we go into loans, like the Government says is good for us to do and they are doing, where the Government is borrowing for all the Capital works? Or should there be taxation? Well, we know there has been taxation. The Financial Secretary has made a point on that in his Address, when he spoke of raising revenue and how it can make growth in an economy hostage to taxes. I think that there has been such a situation in this country recently, because the \$10 million that was extracted out of this country has hurt the country and has hurt the economy. It was not necessary to do it at that time, it could have been done over a period time of two to three years and the excuse that was given was that the Government wanted the money to pay the increase to civil servants. I wonder if it was not known that the revenue was not coming up to mark and that the Government wanted to increase the revenue, and the Civil Service became a very good excuse? Particularly since the Civil Service itself suggested that they be paid what they thought was due. What was eventually worked out was that they would have taken it over a period of time, as is done elsewhere, quite comfortably and advisedly.

That tax package included areas that have had direct financial impact of a negative kind. The sale of land it has touched. We know that one of the areas where Government earns considerable revenue in is the Stamp Duty on the transfer of land, condominiums that usually sell for large sums of money, thus Government earns considerably from that.

But perhaps the most stinging effect it has brought about is the increase, as a result of the increase, in the cost of fuel. Electricity has increased. I read in the papers just this past week that Caribbean Utilities is going to increase from 44 cents per kW-hr to \$3.95 per kW-hr. I have been hoping now for the past several days that there is some mistake there. If that means what it says, then there is going to be a real drastic increase in electricity rates.

Oddly enough, while the Member responsible for this area has spoken about building roads, he has not made a single official statement on that particular increase. I wonder whether the company is free to increase any amount that they want? Do they have to get the approval of

Government? Has Government given that approval?

Mr. President there are two minutes left. I am quite prepared to talk for that length of time, but I have quite a bit more left to say. If you wish, I will stop now, or I will take up the two minutes.

**MR. PRESIDENT:** Alternatively, you might be able to finish a section in five or six minutes, which the House might be prepared to go beyond half past four for you to finish a section.

**MR. GILBERT A. McLEAN:** There is quite a bit more, Sir, I have not said a thing about my own district.

**MR. PRESIDENT:** No, I was not meaning for you to finish the whole speech. No matter, we have now taken up the two minutes more or less.

### **APOLOGIES**

**MR. PRESIDENT:** Before the adjournment is Moved, I should have mentioned earlier the apologies for absence from the Honourable the Member for Communication & Works, due to a family bereavement. I should have mentioned that earlier.

### **ADJOURNMENT**

**HON. THOMAS C. JEFFERSON:** Mr. President, I Move the adjournment of this Honourable House until 10 o'clock Wednesday morning.

**MR. PRESIDENT:** The question is that this Honourable House do now adjourn until 10 o'clock Wednesday morning.  
I shall put the question. Those in favour please say Aye...Those against No.

**AYES.**

**MR. PRESIDENT:** The Ayes have it. The House is accordingly adjourned until Wednesday morning at 10 o'clock.

**AT 4:30 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M. WEDNESDAY, 28TH NOVEMBER, 1990.**



**WEDNESDAY  
28 NOVEMBER, 1990  
10:14 A.M.**

**MR. PRESIDENT:**  
Services.

Prayers by the Honourable Member for Health and Social

**PRAYERS**

**HON. D. EZZARD MILLER:**

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 we may be enabled faithfully to perform the responsible duties of our 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 the light of His countenance upon us and give us peace now and always. Amen.

**PRESENTATION OF PAPERS AND REPORTS**

**MR. PRESIDENT:**  
Honourable First Official Member.

Proceedings of the House are resumed. Papers, the

**REPORT OF THE AUDITOR ON THE AUDITED ACCOUNTS OF THE CAYMAN ISLANDS' GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 1989 TOGETHER WITH THE ACCOUNTANT GENERAL'S REPORT AND ACCOUNTS OF THE CAYMAN ISLANDS' GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 1989**

**HON. THOMAS C. JEFFERSON:**

Mr. President, I beg to lay on the Table of this Honourable House the Report of the Auditor General on the Audited Accounts of the Cayman Islands' Government for the year ended 31 December 1989, together with the Accountant General Report on Accounts of the Cayman Islands' Government for the same period.

**MR. PRESIDENT:**

So ordered. Papers continued.  
The Chairman of the Finance Committee of the Assembly. Sorry, I beg your pardon, the Public Accounts Committee. You must have been rather mystified for a moment, sorry.

**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE AUDITOR GENERAL'S REPORT ON THE AUDITED ACCOUNTS OF THE CAYMAN ISLANDS' GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 1989**

**MR. ROY BODDEN:**

Mr. President, I beg to lay on the Table of this Honourable House the Report of the Standing Public Accounts Committee on the Report of the Auditor General on the Financial Statements of the Cayman Islands' Government of the year ended 31 of December 1989.

**MR. PRESIDENT:**

So ordered, and I think that reference to 1990 on today's Order Paper should be 1989.

**MR. ROY BODDEN:**

Mr. President, The Report of the Public Accounts Committee was ready some days ago but due to a misunderstanding, or I should say, due to the rather quick release, the Accounts were withdrawn from being tabled so as to extend a courtesy of timely reading to Members of this

Honourable House.

**MR. PRESIDENT:**

Sorry. If I might correct that.

The P.A.C. Report was not until today's Order Paper because the Chair has a duty to read all papers before they go on the paper. That is the reason. It is my responsibility for the delay, let me make that clear.

**MR. ROY BODDEN:**

Mr. President, I crave your indulgence to begin from page 3, section 4, where it says "Appointment of a New Member", because I believe the rest is fairly routine and understood by all Members of the Honourable House and in the interest of time I would crave to begin from there.

**4. APPOINTMENT OF NEW MEMBER TO THE COMMITTEE  
(STANDING ORDER 77(3))**

On 1 March 1990, Mr. Franklin R. Smith tendered his resignation as a Member of the Legislature. Accordingly, with the passing of Government Motion No. 5/90 on 20 July 1990, Mr. Truman M. Bodden was appointed to fill the vacancy of the Committee.

**5. CIRCULATION OF AUDITOR'S REPORT AND FINANCIAL STATEMENTS**

In accordance with the provisions section 42(1)(b) of the Public Finance and Audit Law, 1985 and of Standing Order 74(3), the Auditor General on 19 July 1990, duly forwarded to the Presiding Officer and Clerk of the Legislative Assembly his Report on Government's Accounts for 1989, together with the certified Financial Statements.

The Clerk on 20 July 1990, duly circulated to Members of the Legislature, under confidential cover, a copy of the Auditor General's Report together with the Report and Accounts of the Government.

**6. PROGRAMME OF HEARINGS**

In exercise of our duties, we, your Committee, in our preparatory work, duly considered the following documents before reaching a constructive programme of hearings:

- (1) 1989 PAC REPORT ON THE 1988 ACCOUNTS;
- (2) 1989 GOVERNMENT MINUTE ON THE PAC REPORT;
- (3) THE AUDITOR GENERAL'S REPORT ON THE 1989 ACCOUNTS;
- (4) THE REPORT AND ACCOUNTS OF GOVERNMENT FOR THE YEAR ENDED 1989,

Your Committee subsequently arrived at the following programme:

	SUBJECT	REFERENCE
(1)	LAND EXCHANGE FOLLOW-UP	Paragraphs 65-72 of the Auditor General's Report on the 1988 Accounts; Item 9 of the PAC's Report thereto; Item (9) of the Government Minute to the PAC Report.
(2)	CENTRAL FUNDING SCHEME	Paragraphs 22-35 of the Auditor General's Report on the 1989 Accounts.
(3)	TENDERING AND CONTRACTING	Paragraphs 36-46 of the Auditor General's Report on the 1989 Accounts.
(4)	OVERSPENDING PUBLIC WORKS DEPARTMENT	Appendix A - Items C & D of the Auditor General's Report on the 1989 Accounts.
(5)	INTERNATIONAL HEALTHCARE CONSULTANTS CONTRACTS	Paragraphs 47-56 of the Auditor General's Report on the 1989 Accounts.
(6)	OVERSPENDING CUSTOMS DEPARTMENT	Appendix A - Item A of the Auditor General's Report on the 1989 Accounts.



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| (7)  | OVERSPENDING<br>PRISON DEPARTMENT         | Appendix A - Item B of the Auditor General's Report on the 1989 Accounts.   |
| (8)  | PERFORMANCE<br>EVALUATION                 | Paragraphs 57-63 of the Auditor General's Report on the 1989 Accounts.  |
| (9)  | MANPOWER CONTROL<br>FOLLOW-UP             | Paragraphs 44-64 of the Auditor General's Report on the 1988 Accounts;<br>Item 8 of the PAC Report on the 1988 Accounts;<br>Government Minute - Item (8). |
| (10) | FINANCIAL PLANNING                        | Paragraphs 64-82 of the Auditor General's Report on the 1989 Accounts.  |
| (11) | FINANCIAL STATEMENTS                      | 1989 Accounts;<br>Paragraphs 2-4 of the Auditor General's Report.   |
| (12) | MOTOR VEHICLE TAX<br>FOLLOW-UP            | Government Minute [Items 7(X)-7(XIII)] to the PAC Report on the 1988 Accounts.  |
| (13) | TREASURE ISLE RESORT<br>DEBTS - FOLLOW-UP | Government Minute (Item 7) to the PAC Report on the 1988 Accounts.  |
| (14) | INTERNAL AUDIT<br>FOLLOW-UP               | Government Minute (Item 11) to the PAC Report on the 1988 Accounts.   |
| (15) | CAYMAN AIRWAYS LIMITED<br>FOLLOW-UP       | Government Minute to the PAC Report on the 1988 Accounts.   |

#### 7. MEETINGS OF THE COMMITTEE

Your Committee held four meetings, viz:

- (i) Monday 1 October 1990;
- (ii) Monday 8 October 1990;
- (iii) Monday 15 October 1990;
- (iv) Monday 22 October 1990.

#### 8. STANDING ORDER 74(8)

In accordance with the provisions of Standing Order 74(8) the following Civil Servants attended all hearings with witnesses:

- (1) Mr. Nicholas Treen - Auditor General,
- (2) Mr. Woodward Terry - Deputy Financial Secretary,
- (3) Mr. Roger Bicknell - Accountant General.

Also in attendance with the Auditor General were Audit Managers:

- (4) Mr. Paul Hurlstone; and
- (5) Mrs. Debbie Welcome.

#### 9. WITNESS HEARINGS

Your Committee heard witnesses on the 1, 8, 15 and 22 October 1990. Notice in writing to all persons called was sent from the Clerk's Office on 20 and 21 September 1990. We, your Committee, are pleased to note the receptive response of all witnesses to attend and to acknowledge their full cooperation.

#### 10. LIST OF WITNESSES IN ATTENDANCE

The following persons appeared before your Committee:

- (1) Mr. Kearney Gomez - Principal Secretary for Communications Works and Agriculture.  
Also in attendance with Mr. Gomez was Mr. Clark Buchannan, Lands Officer.

- (2) Mr. Colford Scott - Manager of the Central Funding Scheme.
- (3) Mr. Donovan Ebanks - Chief Engineer of the Public Works Department.
- (4) Mrs. Joy Basdeo - Principal Secretary for Health and Social Services.
- (5) Dr. Peter Pain - Chief Medical Officer.
- (6) Mr. Mervyn Connolly - Hospital Administrator.
- (7) Mr. Randy Dounce - Hospital Accountant.
- (8) Mr. Carlton Powery - Collector of Customs.
- (9) Mr. Dennis Marsden - Chief Prison Warden.
- (10) Mr. A.C.E. Long, CMG, CBE - Chairman of the Public Service Commission.
- (11) Miss Corrine Glasgow - Secretary of the Public Service Commission.
- (12) Mrs. Jenny Manderson - Principal Secretary (Personnel). Also in attendance with Mrs. Manderson was Mr. Peter Gough, Manager of the Organisation and Management Unit.
- (13) Mr. Woodward Terry - Deputy Financial Secretary
- (14) Mr. Roger Bicknell - Accountant General.
- (15) Hon. W. Richard Ground, QC - Attorney General

## 11. EVIDENCE IN WRITING

Evidence in writing was submitted to your Committee by the Principal Secretary for Tourism Aviation and Trade with regard to Cayman Airways Limited. Due to unfortunate circumstances the Principal Secretary was unable to appear in person and your Committee is satisfied that his evidence produced in writing is sufficient for your Committee to report thereto.

## 12. CONCLUSIONS AND RECOMMENDATIONS

### LAND EXCHANGES - FOLLOW-UP

1. The Committee read with interest the comprehensive document on the Land Exchanges, that took place between the Government and the Safehaven and Yacht Club developments, which was provided by the Principal Secretary for Communications Works and Agriculture. We appreciate the difficulty he had in providing this material and note that much of the material and information relates to the Central Planning Authority, which is beyond his control. The Committee is very thankful and appreciative for his efforts on our behalf.

2. Using the material provided to us we have drawn up comparisons of the lands, etcetera. We think the Government could have asked the developers to provide the lands and money exchanged for these.

#### GOVERNMENT MAY HAVE REQUIRED THE DEVELOPER TO PROVIDE:

##### A. YACHT CLUB

- 1) 3.6 acres of the development for schools etc.
- 2) Up to 6 acres for recreational purposes.

##### B. SAFEHAVEN

- 1) 10.5 acres of the development for school site (plus 10 acres stormbelt).
- 2) Up to 12.2 acres for recreational purposes.

#### RECEIVED BY GOVERNMENT

- 1) US\$130,000.
- 2) Boat ramp, jetty and car parking for public use.
- 1) 60 acres (costing \$90,000) off Frank Sound.
- 2) Had 8.62 acres of Crown land, which had been mangrove swamp, cleared and filled, together with the benefit of a newly constructed seawall of 1,500 feet.

NOTE: The Central Planning Authority could also have required the developers to provide the land the Government may have required to be set aside for schools and recreational purposes to be provided subject to the provisions of the Mosquito (Research and Control) Regulations. The Regulations may require that all reclaimed land, after settlement, shall not be less than three feet above the level of the highest seasonal soil water.

3. The Committee remains of the opinion that the exchange arranged by the Central Planning Authority did not provide the best value for money. However, we do acknowledge that this is with the benefit of hindsight on two very large difficult and complex developments. We note that similar large developments are not expected in our Islands in the foreseeable future again. We would be extremely disturbed to discover any other large developers who have avoided properly contributing to Government for the burden that they

place on the Islands' infrastructure.

4. We are pleased to note that the Principal Secretary for Communications, Works and Agriculture, has promptly revised and issued guidelines on land purchase, sale and exchanges' procedures.

5. We consider that a review is required of the whole area of how commercial and other real estate development places a burden on our Islands' infrastructure, social services and environment; and how such developments should contribute to the proper and timely growth of this infrastructure. We repeat our assertion of last year that present Laws, Regulations, procedures and practices now appear inadequate to control and regulate such development.

6. As a corollary, your Committee reminds those departments involved that the duty of the Government is to protect the welfare of its citizens. Land exchanges of this nature may well endanger the welfare of some citizens by intentionally, or otherwise encouraging exclusivity of access and facilities.

#### **VALUE OF CAYMAN AIRWAYS LIMITED - FOLLOW-UP**

7. The Cayman Islands' Government and the public are the sole owners of Cayman Airways Limited (CAL). Your Committee considers it to be of paramount importance that, due to the precarious nature of the Company's accounts as described in Auditor General's Report on the Government's Accounts and due to the very large subsidy given by Government to CAL annually, we receive information on the actual value of the \$13,335,086 of shares owned by the public.

8. Your Committee voices its expectation that the Accountant General will exercise his authority to arrive at a reasonable estimate of this in the next year's accounts.

9. Your Committee is encouraged to receive information from the Principal Secretary for Tourism Aviation and Trade that the review of CAL as promised to the Committee two years ago is proceeding well and that a consultant to carry out the review will be selected soon. However, we are discouraged that significant material and operational changes have recently been approved by Executive Council for CAL before the study has been completed. This is unbusinesslike and anticipates the recommendations of the study.

10. We also note that the annual \$1,000,000 subsidy, which used to be related to the leasing costs of the new replaced Boeing 727 jets, is now being linked by the Board of Directors to losses made by CAL on the important and essential inter-Island service. Last year your Committee recommended that the Government subsidy be capitalised (as was the position in the past) and not placed in the profit and loss account and used to offset operational costs of CAL. It is the Committee's view that such a move would make the airline more competitive and cost conscious, and is more realistic accounting.

11. If the Government is to provide a subsidy which the Board of CAL says is solely to maintain the inter-Island service, your Committee wish to see properly certified evidence of the "loss" on this route before agreeing on the level of subsidy.

12. Your Committee voices its strong discontent of the Managing Director's explanation of why attempts to reduce the operational costs of the financially troubled airline had not been instituted earlier. It seems eminently sensible to the Committee that a loss sustaining venture such as CAL should have reduced its losses years ago.

13. It is gratifying to record our knowledge of the recent cost cutting efforts and your Committee offer its encouragement to the management of CAL in these efforts. It is our expectation that the consultants in their review will take a special interest in this phase of the airline's operations.

#### **1989 FINANCIAL STATEMENTS**

##### **CARIBBEAN DEVELOPMENT BANK - LOANS**

14. We, your Committee, note that the exchange risk involved in loans from the Caribbean Development Bank is borne solely by the Government.

15. In recent years (we also had occasion to discuss this during our 1988 hearings) the Government has severely suffered due to the strength of the Japanese yen and other currencies relative to the United States dollar.

16. As urged in our 1989 Report, we again strongly recommend that Government be ever more prudent, but flexible, in its loan arrangement policies and minimise the risk of significant exchange losses.

17. Further, we strongly recommend that Government employ all the necessary steps to obtain the best and cheapest arrangements for the country's debt burden.

**PUBLIC SECTOR DEBT**

18. Your Committee is concerned that the use of a wide definition of public sector debt, including the recently assessed liability for Government pensions, gives the country a debt figure of some CI\$62.2 million - approximately 60 per cent of the Government's annual revenues.

19. We wish to report that we are alarmed at this situation and recommend that Government exercise due caution and prudence in reducing this debt significantly so as to avoid the dramatic and catastrophic problems faced by other countries in paying off their debts.

**RECURRENT REVENUE**

20. It is the recommendation of your Committee that there be regular and systematic reviews of all Government revenue sources so as to ensure that, in certain areas, fees charges and licences reflect substantially the true and full costs of providing the services involved.

**DEFERRED PAYMENTS**

21. It is your Committee's recollection that during our meetings last year this "policy" was viewed with grave concern by the Members. Our concerns have been strengthened upon reviewing the example of the deferred payment of \$462,550 relating to the Post Office.

22. Your Committee wishes to register its concern with this matter in that, although this transaction occurred in 1988, it still remains to be approved by the Finance Committee. We urge the Government to consider the comments made by the PAC Chairman during the debate on last year's Government Minute.

23. These comments represented the Committee's wish that no approval for any substantial payments be withheld from the proper authorities.

24. It is the considered view of the Committee that only in few exceptional cases may a payment be made if the proper authorities are not in place so that a payment may be charged directly against an appropriate Head of expenditure.

25. In the case of the deferred Post Office payment, Finance Committee approval should be sought immediately.

**INVESTMENT PROCEDURES**

26. Your Committee registers its dissatisfaction with the nonchalant way in which Government's surplus funds are invested at present.

27. Formal policies, procedures and practices relating to the investment of these funds should be clearly outlined. It is the considered opinion of the Committee that, in addition to the foregoing recommendation, such investment placed should also be subject to the approval of the Financial Secretary and the Finance Committee.

**RECURRENT EXPENDITURES**

28. The growth of recurrent expenditure by 11 per cent between 1988 and 1989 poses a major source of concern for the Committee.

29. The Accountant General did not provide an adequate explanation for this increase and we would wish to see any increase in Government spending closely monitored.

30. Your Committee stops short of recommending a moratorium on increasing recurrent expenditure at this point. Suffice it to say, however, that any significant increases must be convincing beyond a doubt to future PAC Members. This trend of heavy spending could well cause serious financial problems to Government in the near future.

**EXCESS EXPENDITURE**

31. Your Committee is pleased to report that it had to take evidence from only two departments regarding overspends during the past year.

32. In both cases, your Committee records its satisfaction that the excess expenditures of the Prison and Customs Departments were reasonable and justified.

33. While the Committee has again been tolerant in these cases it is prudent for Department Heads and Controlling Officers to understand that it is their obligation to contain department expenditure within the

defined limits. Any deviation runs the risk of being viewed as an abrogation of responsibility and your Committee should not be expected to deal leniently with every case of overspending.

34. Your Committee takes this opportunity to emphasise that overspending is an irregular procedure which we find not to be in the best interest of proper accountability.

#### **PRISONS DEPARTMENT DEPOSIT ACCOUNT AT CAYMAN NATIONAL BANK**

35. Your Committee was surprised to learn of the Cayman Islands' dollar deposit account held by the Prisons Department.

36. This account exists outside the ambit of Government's accountability procedures and, while your Committee is satisfied as to the nature of the account, our recommendations are that:

- (i) this account should immediately be brought into the Government's accounting procedures;
- (ii) that the funds be allowed to remain as a specially designated fund to be administered by the Prisons Department.

#### **VOTE CONTROL - PARAGRAPHS 16 AND 17**

37. Your Committee shares the disappointment of the Accountant General that vote control procedures and accounting standards appear to have worsened in 1989.

38. Officers must realise that proper accounting and control of receipts and payment are of utmost importance.

39. Your Committee will accept no less than the very highest standards of financial control and accounting practices. We hope that the Government will increase its emphasis on training in this area and that the new Internal Audit will help improve standards.

#### **ARREARS OF REVENUE - PARAGRAPHS 18 THROUGH 21**

40. We are pleased to be assured that no arrears of Overseas Medical Fees have arisen since the write-off of large amounts of such fees two years ago.

41. With regard to our Report on the 1987 Accounts on the inadequacies of the Immigration Department's accounting systems, we are chagrined to learn that this system continues to be in disarray. Your Committee expects that urgent action will be undertaken to remedy these problems. Further, we expect to be provided with a report on the progress.

42. Cognizance is taken of the Accountant General's assuring comments in relation to Garbage Fees, Tourism Accommodation Tax and Broadcasting Fees. We wish to record our pleasure of the proposed establishment of the post of Debt Collector. It is your Committee's hope that the Debt Collector's post will be justified by an improved debt collection system and we expect to see some positive results from this initiative next year.

43. The situation regarding Motor Vehicle Tax continues to be disappointing. Solutions to alleviate this problem have been well thought out, yet no appropriate remedial action has been taken. It is the Committee's expectation that some action can be taken before next year's meeting to eliminate this problem.

#### **CENTRAL FUNDING SCHEME - PARAGRAPHS 22 THROUGH 35**

44. The situation existing at the Central Funding Scheme can quite literally be described as an Augean mess that cries out for Hercules. Your Committee was most disturbed to learn that Government's Estimates make no separate provision for the Central Funding Scheme (CFS). Even more importantly, it cannot be seen, with any clarity, what Government's expenditure on transport and heavy equipment has been. To compound this, the CFS, as a unit operating within the government system, does not prepare an annual budget.

45. This is clearly an intolerable situation and it is one in which the Scheme's manager has been left alone to fend for himself. In this regard your Committee record its extreme displeasure and disappointment that the Management Board of the CFS is now considered defunct, having last met in 1986. Your Committee considers this a sad indictment on the part of board members and can only wonder how widespread is this lack of commitment.

46. Our lengthy and fruitful deliberations with the Principal Secretary for Communications, Works and Agriculture, and the Manager of the CFS leads us to the following observations:

- (i) That accepted recommendations and suggestions of consultants regarding the CFS have not been implemented in any timely and systematic fashion;
- (ii) That the Management Board of the Scheme has become non-functional;
- (iii) That there is a complete lack of any performance review;
- (iv) That no stocktaking has been systematically done since 1984; and
- (v) That there is an absence of budget accountability.

47. That this Scheme functions at all is commendable and again your Committee reiterates that this situation, as it currently exists, must not be allowed to continue into next year. Your Committee is alarmed and distraught to learn that any governmental agency is allowed to operate with so little supervision or accountability. Our concern over the Government's ability to derive good value for money spent leads us to observe that this is an example of extreme worthlessness.

48. With respect to the planned transfer of the Vehicle Licensing and Inspection Department to the CFS, your Committee records its resounding objection. We see this as an exercise in futility and one which will further compound and complicate the existing mess at the CFS.

49. While the Committee sees some merit to the combination of these services at the CFS, we advocate that the CFS must be organised and brought into the mainstream of proper management and accountability before we can give our blessings to any such move.

50. Accordingly, your Committee recommends the following:

- (i) That the Management Board of the CFS be resuscitated and meet regularly;
- (ii) That the Manager of the CFS be given the required help and supervision to establish a proper account system at the CFS;
- (iii) That the CFS implement systematic and regular stocktaking measures;
- (iv) That some system for Performance Standard Assessment be implemented so as to be able to continuously assess the efficiency and relevance of the CFS;
- (v) That once the CFS is functioning efficiently and satisfactorily, all government departments should utilise its services;
- (vi) That upon the achievement of the above, the Government elevate the CFS to departmental status so as to ensure its continued proper functioning and accountability.

#### TENDERING AND CONTRACTING - PARAGRAPHS 36 THROUGH 46

51. Your Committee considers this a very important topic and in so doing attempted to satisfy itself that Government's procedures are satisfactory and ethically sound.

52. Mr. Donovan Ebanks, Chief Engineer of Public Works Department (PWD) assured your Committee that in consideration of approximately twelve contracts per annum he was satisfied that all procedures are being followed.

53. Your Committee expressed skepticism at this claim and registered its concern that the tendering and contracting procedures are irregular and not in accordance with the Financial and Stores Regulations.

54. In his reply Mr. Ebanks explained the process of Selective Tendering, the Register of Contractors and how the Government handles large contracts, i.e. of C\$1 million and over.

55. In response to the Committee's concern over possible collusion by contractors, the Deputy Financial Secretary outlined the bidding process and voiced his satisfaction that no collusion or cartel exists among contractors at this time.

56. Your Committee recognises the importance to the Government of receiving genuine competitive bids and then of obtaining the best value for money spent. To this extent we recommend that the Government examine the practicality of obtaining the services of a Contracts' Officer.

57. It is envisaged that while such an officer would work in conjunction with the various departments and portfolios in setting specifications, etcetera, and would be responsible for receiving the incoming bids, such

an officer would be excluded from the various tendering committees, unless by special request of the Committee.

**INTERNATIONAL HEALTHCARE CONSULTANTS CONTRACTS  
PARAGRAPHS 47 THROUGH 56**

**INTERNATIONAL HEALTH CARE CORPORATION LTD (IHC) GENERAL COMMENTS AND RECOMMENDATIONS**

58. In prefacing these conclusions and recommendations arising from your Committee's lengthy hearings of witnesses and the ensuing deliberations, we wish to make the following observations:

59. Elected Officials as well as public servants must be more than legally innocent; they must be perceived as scrupulous, law abiding and trustworthy. Men should not be judged solely by the arrogance of their dispositions, but anyone holding public office (be that office by election or appointment) bears a responsibility to be cautious, selective and sensible in their dealings.

60. We expect that the Member for Health and Social Services will comment upon his conduct in these negotiations and dealings with International Health Care Corporation Ltd (IHC), especially in view of the fact that his Principal Secretary informed the Committee (section 5 of 8 October minutes refers) that she expressed her uneasiness and 'concern to the Member because of her previous experience with contracts'.

61. The Principal Secretary assured the Committee 'that she gave the Member the best advice she could that the contracts should go to tender' (bid). Further, the Principal Secretary expressed her concern in this regard to the Accountant General, who, your Committee also understands, advised that the contracts should have gone to tender.

62. Your Committee understands that the Principal Secretary's advice was ignored because the Member gave the assurance that 'soft contracts' did not go to tender.

63. It is your Committee's understanding that the IHC contract went to the Executive Council without competitive bids and that Executive Council approved the contract.

64. Given the likelihood of this situation recurring in the future, we are particularly concerned that the fullest lessons be learnt from our scrutiny of these dealings with IHC.

65. Your Committee questions both the merits of the policy and Government's ability to derive the best value for money spent under these circumstances. We are concerned with what can be interpreted as a 'flaunting of procedures', and in this context we would welcome a statement from the Executive Council giving its rationale for such a practice as well as making a clear position statement on future dealings.

**COMMITTEE'S FINDINGS ON IHC**

Regarding the other matters in this brief, your Committee posits the following findings:

66. IHC is a one-man "shell company" of which Mr. Jim Conti is the sole employee. This company hires staff from other related companies as well as from outside to do work. There was no bond or retention money provided in the contract and this left the Cayman Islands' Government in a serious risk position in the event of a breach of contract or any claim by Government against the corporation.

67. From the Committee's records:

(i) Mr. Conti, who admits that he is not an Health Care professional and who appears to be making his profit from Government as a sales man, has made 15 trips to the Cayman Islands since 1989 at the Cayman Islands' Government expense. The total number of days spent here during trips amounts to 129 days.

(ii) Mr. Conti's and his employees' expense accounts (example APPENDIX I) cover flights, hotel (one of the most expensive), car (from the Central Funding Scheme), telephone, facsimile, taxis, departure tax, parking fees, photocopying, driver's licence, and a US\$50 daily allowance for meals, etcetera.

(iii) Mr. Conti visited the Island in his capacity as Project Director and Overviewer for the Hospital projects and yet he is the principal of IHC - receiving the profit as well as being reimbursed separately by Government for his trips.

In the view of your Committee this is a highly questionable and irregular business practice especially in view of Mr. Conti's admission to not being a Health Care Professional.

**IHC CONTRACT DATED 6 APRIL 1989**

68. In the Committee's deliberations on this aspect of the Government's dealings with IHC we took the unprecedented step of requesting the Honourable Attorney General to appear before us.

69. The Attorney General suggested some thirteen changes to the original contract (APPENDIX II) which IHC prepared for the Government to sign.

70. We were disturbed upon learning that the advice from the Attorney General was not fully accepted by IHC and that the Portfolio had not returned the draft contract to the Attorney General for advice before signing.

71. Your Committee takes the dimmest view of this action and does not find it pleasing that this imprudent and insensible behaviour was adopted by the Portfolio for Health and Social Services.

72. It is our expectation that in future advice from the Legal Department and the Attorney General's Chambers will not be ignored by Controlling Officers. To this extent your Committee recommends that in these cases it become mandatory for contracts to be returned to the Legal Department or the Attorney General's Chambers for a final scrutiny and approval before they are signed by the relevant authorities on Government's behalf.

73. Mr. Peter Multon, Mr. Peter Reiley and other staff (of the Public Works Department) are of the opinion that:

- (i) 10 per cent of the cost of construction is too high;
- (ii) too much of the work was assigned to PWD;
- (iii) areas of responsibility are not clearly identified.

They recommended that a project manager be hired to oversee the project on Government's behalf.

**IHC CONTRACTS - GENERAL**

74. Your Committee does not understand the merits of employing the consulting firm IHC without public tenders. We were informed that there are other firms which engage in the type of work required by the Government. IHC has no international experience and the corporation had not undertaken this type of overseas' assignment previously.

75. The consultants engaged may expect to eventually earn several million dollars in associated fees. Your Committee is disappointed to realise that the awarding of such a large and important contract was handled with such a cavalier disregard. We have not been able to establish clearly that in the words of a previous Committee Report on the 1987 Accounts, "... partiality or worse ..." has not occurred in this case.

76. Your Committee has stopped short of calling for an independent commission to investigate whether any corruption was involved in the unusual arrangements surrounding the awarding of Government work to IHC because we believe that assurances providing for the sound, sensible and fair principles surrounding Government contracting will be forthcoming from Government very shortly.

77. We cannot appreciate the nonsense of continuing with the plans provided by IHC without first undertaking a thorough and competent economic and financial appraisal of such proposals. It is a sad indictment on those involved at the Governmental level that we cannot be assured that this project is in fact "a least cost" solution.

**IHC - RELATIONSHIP BETWEEN PORTFOLIO AND HOSPITAL MANAGEMENT**

78. The Chief Medical Officer (CMO) informed your Committee that he was not impressed with the work of IHC on their second uncompetitively let contract with the Government. He noted that in his opinion there was a significant deterioration in the quality of IHC staff assigned to work on the second contract. On this basis your Committee suggests that Government should be very reluctant to re-employ the firm of IHC again.

79. Your Committee records its support of the active and responsible way the Hospital Management took to verify the expense claims of IHC consultants. We view with grave concern the information provided by the Hospital Accountant concerning the extreme difficulty in agreeing with the expenses claimed by the IHC consultants. We note with some alarm that many of these expense claims were not complete or properly vouched for and that the Hospital Accountant had to contend with a significant lack of support and understanding from the Portfolio when carrying out his duty in verifying the accuracy of the IHC claims. Quite frankly, your Committee is surprised that Government authorised expense payments without full and original supporting documentation. The arrangements for expenses were, in your Committee's view, lax and not well controlled by the Portfolio.



80. On the question of expert representation, your Committee does not understand why the CMO or any other member of the Hospital Management were not allowed proper opportunity to make critical representation on the Health Care and Health Facilities Plan by IHC. We were informed that the CMO never got the feeling that he was contributing to the Plans produced and eventually approved by Government. The CMO is of the opinion that while many of the plans produced by IHC are valid, some areas in the Plans were not capable of being put into practice. He noted that the solutions prepared by IHC were United States' solutions because IHC had no experience of working elsewhere. The view of the CMO seems sensible and your Committee is disturbed that the Government had taken so little notice of the advice given by one of its professional officers.

81. We note from the table at paragraph 48 of the Auditor General's Report that the third contract with IHC (for the Dental Clinic) was signed prior to Finance Committee's approval of funding. Your Committee frowns upon such action and hopes that in future no Controlling Officer will commit the Government to any form of expenditure without the necessary Finance Committee approvals.

#### **UNAUTHORISED PAYMENT OF EXPENSES**

82. Your Committee asked the Auditor General and the Principal Secretary for HSS to confirm information which had previously been provided to the Committee concerning certain claims and payments for expenses made by the Member for HSS.

83. It appears to your Committee that these claims and payments for expenses relating to the entertainment of various consultants (but not including IHC) may not be properly authorised and not accounted for correctly.

84. We recommend that a full investigation of these possibly irregular payments be made as soon as possible. It is your Committee's expectation that a full report of this investigation will be presented to us at our next session in 1991.

#### **PERFORMANCE EVALUATION - PARAGRAPHS 57 THROUGH 63**

85. During the deliberations considerable concerns over the weakness of the current system were brought to your Committee's attention. While we recognise the complexities and enormity of the Performance Evaluation exercise, we are left to wonder how the service can function effectively, impartially and productively with such a glaring inadequacy.

86. The Committee is most displeased to learn that, although a previous Report expressed concern over this total lack of manpower resource evaluations, this still exists at the same level.

87. It is the recommendation of your Committee that:

- (i) the Principal Secretary (Personnel) exercise authority to obtain Performance Evaluation Reports from Department Heads;
- (ii) the Principal Secretary (Personnel) seek the assistance of the Civil Service Head to notify all Department Heads as to the importance of Performance Evaluation Reports;
- (iii) the Principal Secretary (Personnel) consider instituting sanctions against those Heads of Departments who insist on being delinquent in the submission of Performance Evaluation Reports;

88. The Committee is most displeased to learn that such a situation can be allowed to exist in the Government Service. In view of the evidence received at its recent meeting, your Committee poses the following questions for the Government to answer:

(1) In the absence of Performance Evaluation Reports how are assessments for promotions or terminations made?

(2) In the absence of Performance Evaluation Reports how are staff and morale problems determined and dealt with?

89. Your Committee, in this instance, has stopped short of recommending a serious review of any one officer's performance. Suffice it to say, however, that we wish to record our displeasure at such an existing situation. And, further, that we remain concerned that manpower controls appear to be inadequate for effective and productive value to Government.

90. On the positive side, we welcome the opportunity of learning of the establishment of the Management

Services (Organisation and Management Services). This is a much needed Service in the governmental organisation. We offer it sincere encouragement and wish it every success.

#### **GOVERNMENT FINANCIAL PLANNING PROCEDURES PARAGRAPHS 64 THROUGH 82**

91. Your Committee is delighted to record its interest and encouragement of Government's stated objective to embark on sophisticated financial planning.

92. We believe that such procedures are not only timely, but are prudent, and we, your Committee, will be most anxious to learn of progress in this regard in future meetings.

#### **STATUTORY BODIES - PARAGRAPHS 83 THROUGH 86**

93. Your Committee takes pleasure in noting that no Statutory Body is currently behind in the submission of their annual Financial Statements to the Legislative Assembly. Such efficiency is to be commended and we encourage the various Statutory Bodies to continue this excellent practice.

94. It is noted, however, that there may be a significant increase in the numbers of Statutory Bodies in the future. The Community College and the Water Authority will be presenting their first accounts next year and it is understood that plans are being contemplated to create even more statutory bodies. Your Committee expects that the Auditor General will be statutorily appointed the external auditor of any statutory or public sector bodies created by Government. We further expect that the Auditor General will be provided with such resources, human and material, for his office to properly undertake any extra duties required by an increase in the workload.

#### **OTHER MATTERS - PARAGRAPHS 87 THROUGH 100**

##### **INTERNAL AUDIT**

95. Your Committee is disturbed to learn that the implementation of a small Government wide Internal Audit Unit, recommended last year, has been delayed. It is our expectation that this Unit will greatly assist in the improvement of financial and internal control and we hope that it will be established in the near future.

96. We find the Accountant General's views in this area incomprehensible. While we are pleased to see that he is setting up this Unit we continue to suggest that Government's Internal Audit Unit be independent of the Accountant General's control.

97. Our rationale in making this stipulation is based upon the fact that, as the officer holding responsibility for instituting the financial and control systems operating within the Government, it does not seem ethical for the Accountant General to also hold responsibility for this Unit.

98. Your Committee states emphatically that it perceives a conflict of interest if the Accountant General is to supervise Internal Audit. It is our considered opinion that this is not in the best interest of the Unit's operation and we recommend that it not be done.

99. Your Committee also wishes to take issue with the Accountant General's comments on the Auditor General's independence. The Law provides that the Auditor General is independent of the Executive and, in the performance of his duty is not subject to the control of any person or authority. We see the responsibilities of the Auditor General as being to the Legislative Assembly and the public and not to Government.

100. The distinction which your Committee wishes to make at this juncture is that Internal Audit is a part of the Government and as such should assist the Government achieve better financial performance.

101. The Auditor General's Department is the external auditing section and as such must not only maintain its independence, but must remain free from any attempted interference, intimidation or confrontation on the part of individual members or the political directorate in its totality.

##### **AUDIT OFFICE MATTERS - PARAGRAPHS 88 THROUGH 94**

102. Your Committee is most interested in the continued functioning of an independent Auditor General and by inference, external audit department. To this extent we recommend that the position of Auditor General be entrenched in the Country's Constitution.

#### **CONFIDENTIALITY AND FUTURE PUBLIC ACCOUNTS COMMITTEE HEARINGS**

103. Your Committee deliberated at length during its recent sittings to ascertain future direction. Certain

events have led the Committee to realise that the time has come to hold public hearings.

104. There are, however, certain clear exceptions and your Committee is prepared to follow practice common to all Select Committees and to the present Finance Committee. The Committee would be prepared to admit strangers and the press to those sessions (or parts of sessions) where the evidence being taken and the subject raised do not call into question matters of national security, commercial confidentiality, or of matters which are under investigation by the Attorney General's Chambers, the Police or which are sub-judice.

105. Your Committee posits that this direction may in the future serve to promote a more comprehensive understanding of its functions as well as its desire to remain impartial, professional and dispassionate in its conclusions and recommendations.

106. In all candour your Committee was led to consider this option when it became obvious that certain witnesses had made unreasonable and distorted views of the recent hearings. We are most displeased to learn that some breaches of confidentiality existed and that some of its members and its workings became subjects of office gossip.

107. Your Committee wishes to assure all who are concerned that our deliberations are always undertaken with the utmost respect, impartiality and professionalism. Our findings and recommendations are recorded dispassionately and accurately.

### 13. ACKNOWLEDGMENTS

Your Committee offers its sincere gratitude and appreciation of the cooperative spirit exhibited by all officers appearing before us. As usual we especially appreciate of the support, assistance and constructive advice given throughout by the Administrative Officers, the support advice and information provided by the Deputy Financial Secretary and the Accountant General during deliberations.

We wish to record our gratitude for the assistance provided by the Auditor General and his devoted staff. We regard this assistance as invaluable to the effective working of the Committee and we look forward to a continued productive relationship.

Our most sincere and deepest gratitude, however, is reserved for the Committee Clerk, Mrs. Wendy Lauer Ebanks.

### MOTION TO ADOPT THE REPORT (STANDING ORDER 72(5))

**MR. ROY BODDEN:** Mr. President, your Committee agrees that this Report, be the Report of the Standing Public Accounts Committee to the Legislative Assembly and accordingly, under Standing Order 72 (5), I now move that this Report and the recommendations contained therein be adopted.

**MR. G. HAIG BODDEN:** Mr. President, I would like to second that.

**MR. PRESIDENT:** The Attorney General.

**HON. RICHARD W. GROUND:** On a Point of Order, Mr. President, that all the Standing Order 72 is excluded from having application to the Report of the Public Accounts Committee, by Standing Order 74 (9), which says:

"Notwithstanding the provisions of Standing Order 72," which must mean all of it, "the Report of the Public Accounts Committee shall be deemed to have been agreed to."

I think that is expressly...

**MR. PRESIDENT:** Rightly so, there is no need in fact, to move that Motion. Standing Order 74 (9) provides. Thank you. Perhaps we might take the remaining deferred question on the Order Paper before the break, if the Honourable The First Official Member would move the suspension of Standing Orders.

### SUSPENSION OF STANDING ORDER 23(7) & (8)

**HON. THOMAS C. JEFFERSON:** Mr. President, under Standing Order 83, I move the suspension of Standing Order 23 (7) & (8) to allow the question to be taken.

**QUESTION PUT: AGREED. STANDING ORDER 23(7) & (8) SUSPENDED.**

### QUESTIONS TO HONOURABLE MEMBERS

## DEFERRED QUESTION

**MR. PRESIDENT:** The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Mr. President, this question has been read before, but perhaps for the sake of clarity, I should read it again.

**THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE SECOND OFFICIAL MEMBER RESPONSIBLE FOR LEGAL ADMINISTRATION**

**NO. 191:** Would the Honourable Member say whether it is a normal practice that persons charged with an offence in Cayman Brac and Little Cayman can be tried in the courts in Grand Cayman?

**ANSWER:** Mr. President, the Member is right. It has been read before. I am sorry that he now has to read it a third time. Persons charged with offences alleged to have been committed in Cayman Brac or Little Cayman, who are remanded in custody awaiting trial, are held at Northward Prison. They appear each week before the Summary Court sitting at George Town whilst so remanded in custody.

As a general rule all offences triable in the Summary Court are tried in Cayman Brac at the purpose built courtroom situated in the Administrative Building there. However, some summary cases may be tried in George Town if the convenience of Counsel or the witnesses, or other factors, warrant it.

It is the normal practice for persons who are to be tried on indictment (and Mr. President, Members will appreciate the distinction that I am drawing between summary trial and trial on indictment) for an offence alleged to have been committed in Cayman Brac or Little Cayman to be tried in the Grand Court sitting at George Town. Trials on indictment are normally held before a Judge and Jury.

During the last five years three persons have been tried in the Grand Court in Grand Cayman on indictment for offences allegedly committed in Cayman Brac.

In the case of Grand Court trials the only recent exception to the normal practice occurred on the 12th August, 1988, when the former Hon. Chief Justice, Mr. Gerald Collett, CBE, QC, tried a case without a Jury at Cayman Brac on Indictment 4/88. The accused was convicted of 'acting in a manner so rash or negligent as to endanger human life'.

**SUPPLEMENTARIES:**

**MR. PRESIDENT:** Supplementaries.

**MR. GILBERT A. McLEAN:** Mr. President, will the Members say if it depends on the wish of the accused or the person charged with some offense, or the Court who decides in actuality whether a case or an offense, occurring in Cayman Brac is tried there or here?

**HON. RICHARD W. GROUND:** As I understand it, it is a matter for the Court where it is tried. If the accused had reasons for wanting it tried, other than Cayman Brac, which would be normal for summary cases, they could make application to the Court and explain why. Reasons that might weigh with the Court would be that all the witnesses were in Grand Cayman and it would cost too much to bring them across to the Brac or as we mentioned here the convenience of Defense Counsel may be a factor that would be taken into account. All those matters would go to the Court, but the normal practice for summary matters is that they would be tried in Cayman Brac if the offense had been committed there.

**MR. PRESIDENT:** The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:** Mr. President, may I ask, in the case of trial by indictment if the case is tried in Grand Cayman and allegedly the actions were committed in Cayman Brac, would you normally use a large proportion of jurors from Cayman Brac, or is there some formula for working out how many would be called?

**HON. RICHARD W. GROUND:** Mr. President, no, there is no provision for a separate or special jury list, or separate or special summoning of jurors in the respect of indictable offenses that have originated in the Brac, so they would... the normal panel of jurors that had been summoned for that session of the Grand Court would be the panel from which the jurors would be chosen, by the normal random ballot.

- MR. PRESIDENT:** The Third Elected Member for George Town.
- MR. TRUMAN M. BODDEN:** I wonder if the Member would say whether there is a lock-up in Cayman Brac and what is it used for if there is one?
- MR. PRESIDENT:** That hardly seems to be related to the original question, but just hold on a minute.
- HON. RICHARD W. GROUND:** I understand from the Administrative Secretary that there is a lock-up facility related to the police station. But, it cannot be used for holding people, unless there is a Court actually sitting in the Brac to do the remands, because somebody who is in custody has to be brought up every week before a Court, so that the Court can see they are alright, and so that applications can be made for bail and so on.
- If there is not a permanent Magistrate's Court sitting in the Brac, that poses problems. It is for that reason that people are being held in custody, coming up for the weekly remands are held, at Northward.
- MR. GILBERT A. McLEAN:** Mr. President, would the Member say if there is anything in the law that dictates a person must be tried in either Grand Cayman, or in Cayman Brac or is it basically a convenient practical practice of the Courts?
- HON. RICHARD W. GROUND:** In the case of Summary Courts, the Summary Courts may constitute itself where the Chief Justice directs and it is normally constituted either here in George Town in the Court Building, or it may constitute itself in the Brac in the purpose-built Court Room there. There are no further guidelines in the law. The practice has grown up for a Magistrate to visit the Brac to take Brac cases whenever a sufficient number accumulate to make it worthwhile for him to go and do so. I could not actually say how often he goes. I believe it is two or three times a year, but I would stand to be corrected for that.
- Though there is nothing in the law, there is to some extent a presumption that people should be tried in the face of the community from which they come, and from where the offense is alleged to have been committed. And there is a public interest aspect to that, so that justice may be done and is seen to be done by the community to which it relates.
- Then there is also a practical interest, because for instance, the specks of cases that are committed, or alleged to have been committed in the Brac, normally most of the witnesses reside there, the place where the offense will have taken place will be there. The Court needs to view it or see it, it will be convenient if the trial is being held on the Brac. So, those sort of factors that the Court balances in deciding where a trial should be held.
- MR. GILBERT A. McLEAN:** Mr. President, would the Member say if the services of a Court Stenographer would be allowed in Cayman Brac, as well as in Grand Cayman? And what requirement would have to be met, or application made for such a thing to be done?
- HON. RICHARD W. GROUND:** That is very much a matter for: (a) the Clerk of the Court in administering his staff and allocating them and, (b) the Magistrate. But there is nothing to stop a Court Stenographer going to the Brac. There is one exception I would make to that, I do not know how portable the equipment is. There is nothing in the law or the rules that would either prohibit it, or alternately facilitate, or encourage it. I do not know how portable the equipment is.
- MR. PRESIDENT:** Third Elected Member for West Bay.
- MR. JOHN D. JEFFERSON, JR.:** Yes Sir. The question I had was how often does the Summary Court meet in the Brac?
- HON. RICHARD W. GROUND:** I think I indicated earlier that I could not give a definite answer to that, and would be unwilling to make too firm a guess, lest I mislead Members. I think it has been two or three times this year, I would be open to correction on that.
- MR. PRESIDENT:** Perhaps, you could get the Clerk of the Court to give you the list and provide it.
- HON. RICHARD W. GROUND:** I can certainly circulate it to Members.
- MR. PRESIDENT:** Proceedings are suspended for tea break, fifteen minutes.

AT 11:28 A.M. THE HOUSE SUSPENDED

HOUSE RESUMED AT 11:58 A.M.

**MR. PRESIDENT:** Proceedings are resumed on the Second Reading of the Appropriation Bill, the Second Elected Member for Cayman Brac and Little Cayman continuing. And for your

information I make it two hours and 37 minutes so far.

### RAISING OF MATTER OF PRIVILEGE

**MR. GILBERT A. McLEAN:** Mr. President, before I begin my debate, I would wish to give notice under Standing Order 28 that I would like to raise a matter which I believe affects the Privilege of the House.

**MR. PRESIDENT:** I think that the way we normally do this is for you to visit me in the President's Office, then explain the matter, otherwise it may become difficult to handle it if you do it orally straightaway. So, you have given notice, and perhaps immediately after the break you could come in to tell me about it.

**MR. GILBERT A. McLEAN:** I can do that, Mr. President, but I did have some notes here in terms of what I wish to raise.

**MR. PRESIDENT:** I think the point about this is that the Presiding Officer has to come to a view on whether it is a matter of privilege. It is often easier to do this, as it were, prima facie in the President's Office first. The advice may be that it is not a matter of privilege. It may or may not be. That is the procedure I followed. Admittedly, it has only happened two or three times while I have been Presiding Officer. You can give notice of the subject matter but, I think the details we might best discuss before you bring them forward.

**MR. GILBERT A. McLEAN:** Well, I could convey them to you in writing, Sir, as I have prepared them if you so wish.

**MR. PRESIDENT:** By all means, but, let us discuss it in the Office. If you want to state the subject matter now, I think that is entirely up to you.

**MR. GILBERT A. McLEAN:** Yes, well that is basically what I thought of doing, Mr. President, and your ruling, of course, would decide whether it is a matter of privilege or not.

**MR. PRESIDENT:** Right, fine. Well, if you could state briefly the matter.

**MR. GILBERT A. McLEAN:** Yes, Mr. President.  
Mr. President, on the 19 November 1990, the Honourable Member for Tourism, Aviation and Trade, answered question number 182 concerning the present status of the Shorts' aircraft owned by Cayman Airways Limited. In answering a Supplementary question the Member stated, and I quote:

"The aircraft has been maintained at the Maintenance Department of Cayman Airways at Owen Roberts Airport."

The fact is that the Shorts is not at Owen Roberts Airport, and from the information I have, neither has it been maintain by the Maintenance Department of Cayman Airways Limited since September of this year, when it was flown to Opa Locka in Florida. I believe that the information was false and incorrect and it did mislead the House.

**MR. PRESIDENT:** That will do, I am sure, for a sufficient indication of the matter. I would be grateful if you would provide me with the supporting details separately.

**MR. GILBERT A. McLEAN:** Yes, Mr. President.

### GOVERNMENT BUSINESS

#### BILLS SECOND READING

#### THE APPROPRIATION (1991) BILL, 1990

**MR. PRESIDENT:** Please continue with the Second Reading.

**MR. GILBERT A. McLEAN:** Yes, thank you Mr. President.  
I wish to wind up what I have been saying in respect of the Budget Address, and to say that the 1990 Budget, if not surprising and worrisome enough already, then the latest information which has been circulated to Members regarding certain Heads of Expenditure which are to be increased, would certainly make it so for added to what obviously will have to come out of this year's Budget if these areas of expenditure are included, are huge additional increases of \$40,000, \$96,000 and \$160,000 (or \$164,600).

I find that in looking at the most recent request and referring to what is already in the 1991 Budget, some of this relates to Post Offices - \$164,600 and if we look in the Budget, in it

there are three different amounts regarding Post Offices: \$270,000, in one instance, for North Side; \$250,000 for West Bay; and \$300,000 for George Town. So, unless it is a case where it is the time or the era of Post Offices, it really is worrisome indeed.

In this also, is an amount that we would not necessarily have had in the 1991 Budget, had not there been a Government Motion approved by a simple majority to have a Constitutional Review. I suppose the amount of money must be paid, since the Government had requested the Review. But certainly that also adds to the costs which have to be met by this country from its very limited revenue.

There is a deficit projected at the 31 December 1990, of \$18 million, and that was before raiding the Reserves of approximately \$7.5 million. And if that is not a bad enough picture, if we look at the present Capital Budget, \$13.3 million, is required to be borrowed to fund all of the capital projects for the year 1991.

For any well thinking person, that signals a serious change in the way that the Cayman Islands have been operating for a considerable number of years. And it speaks very clearly of what is the present situation of the Government, in the hands of present Government Members. With a \$13.3 million borrowing for 1991, how can we escape borrowing for 1992? Is not the borrowing placing us in a position that we have long boasted the Cayman Islands were not in, and could not find themselves in? The question is where will it all end?

It is clear that the country is not producing the revenue that it was expected to do. I shall briefly speak on that area in a short while. I think it is very important to look at why the expected revenue did not materialise and to consider the public debt at the end of this year which stands at \$30.5 million. If we borrow the \$13 million that is proposed in this Budget, at the end of 1991, it will have grown to \$43 million. Taking into account this small community and the unknown factor of how much petroleum products are going to increase - how serious a position we are in, is wide open to the gravest speculation.

This public debt does not include the necessary provisions for the Civil Service pensions if a call now was made on what the Government would have to meet in this particular liability.

The recent study by Towers and Perrin found that at the time the study was done, the Government's accrued liability for pensions for civil servants was \$32 million. Undoubtedly that has changed and has increased, because it is an ongoing process and more persons have become eligible for pension.

There is grave cause for concern. If we look at the overall picture of where the Government stands at this time, one can easily and readily arrive at the conclusion that the Government is broke, and we have entered the time of debt like we have not seen before. In the changing world, with the amount of uncertainty, the situation is not good at all and it is not a question or a matter of rhetoric, it is a matter of fact.

An apt question is why has the revenue not materialised? Why has the Government not been able to arrive at the revenue position that it expected? I think that there are various reasons why, and the reasons relate directly to the Government management of the country's affairs.

For one, I share the view as has been expressed by a previous speaker, that one of the things that caused uncertainty, and a drawback of spending and investment and commercial activity as was expected, was when the Government lost its constant majority, and found itself in a minority position. I believe that had serious psychological effect on commercial activity, or the persons involved therewith. They worried as to the stability present in such a condition. And knowing there is not stability in such a position, things took a change for the worse.

Secondly, I suggest that following on that particular position, and again this has been mentioned, there was the fundamental change made in the Government with respect to control of the country's finances. That, added to the uncertainty. I surely do not subscribe to the theory that has been advanced by this Government that these things are taken in normal stride. What is taken in normal stride is what should have been done at the time and was not done.

We have a living example of this in what has happened in the United Kingdom (which is the administering power for these Islands), when very recently, because there was a loss of majority support by the Prime Minister in a Party, she resigned and left it to persons who had that majority. Today there is a new Prime Minister in the United Kingdom and certainly business goes on as before. That country's commitment in the Middle East, its day to day business, its administering of the Cayman Islands and all the rest of it, goes on as before and people are reassured. The stock market went up and people know that the process of democracy is safe and well.

Another reason is, I believe that there is a problem with the Revenue not being what it was expected or projected to be, because of the \$10 million tax package that was brought to this House in July of this year.

I am certainly one who voted for the Civil Service increase. It was found that it was warranted and I believe that the Civil Service should have what it justly deserves. However, we would not have had to go through that situation if the Government had taken the point of view that they could pay off the outstanding amount of money, millions of dollars, \$10 million worth of it, over a three stage period.

The Civil Service did not ask for an immediate payout. It is known that in countries where the Civil Service must get an increase, particularly a substantial increase, few countries unless they have resources that are unlimited, pay out over a period of time. The Civil Service did not disagree with that, and so that could have been done.

It is no question whether the Government was told that they should consider this because I know persons, like myself on the Backbench, and my other colleagues, stressed this

point. Because of the fact that when one increases taxes as they were increased, one does not have the certainty that there will emerge from that particular exercise the revenue which is expected.

The Financial Secretary, said in his Address that "revenue can become a hostage to taxes", and I think that is what happened in this particular case. It did not have to be done all one time. It could have been achieved over a period of time and the country would not necessarily have had to undergone the shock it did over the past few months.

The fact that the Government would not listen, and they had their reasons for it, is clearly borne out in what one of the leaders of the Government had to say, namely the Member for Education, and I quote from the Hansard at the time on this particular point:

"In general again, I have to repeat that Opposition has encouraged Government to go at these Revenue measures in two bites. They say that we should have done some this year and some next year. But, no reasonable Government will increase revenue measures on their people every two years for two years running."

We were not talking about revenue measures in two years running. We were saying, pay the Civil Service out over a period of two years. And, if it had been taken into account, then Government surely may have brought a tax package but it would not have been necessary to bring it.....the size of the tax package could have been different. That shows the attitude or the outlook of the Government in terms of what it believes is right or what it will do, or what it will not do.

All Governments get criticism and this particular one is no different from others before and others after. But, certainly common sense and practical economics should guide the Government in a way that it does not implement drastic measures all in one shot on an economy such as ours which is totally dependent for its rise and fall on external economic forces.

Two areas in particular have had serious effect and one is on the Transfer Duty on land. I am reliably told by persons who know in the real estate world, that there has been a dropback in real estate sales. Certainly, that is borne out by the figures the Revenue has so far in the Lands and Survey Department. While there has been some, it has been down by the several million projected.

I further argue that what we are experiencing in business, we are experiencing where there were already ongoing commitments and contractual agreements, but next year could prove very dismal indeed in this particular area.

The other element that brought about distress in this situation is the charge that was put on fuel. There has been a considerable increase in this country since it has come about in goods and services, in the utility companies, and I mentioned in my debate before, Caribbean Utilities Company has said it is going to increase utilities from 44 cents per kW hour to \$3.95 per kW hour. Still, there is no response, whatever to explain precisely if that means exactly what it says, because if it does Mr. President, that is an astronomical increase in rates. The Member perhaps could do the country a favor to let it know whether this is reality or not, whether the Utilities Company can do as it feels, or whether Government has approved it?

That increase on fuel has affected every single person in this country. I disagree very much, indeed, with the whole idea that the Government put forward at that time and again I would briefly quote what the Member for Education said about this point when it was raised, and it has now proven to be the case. I quote:

"In general, these fees will not affect the average persons in these Islands. As I said, yes, gasoline will definitely affect those persons who drive cars and most households seem to have one car per person in it. Maybe, if this had the effect of one less car it might be one foot less that we would have to put on the new roads. But, most of the gasoline on this Island is consumed in one way or another, directly, or indirectly by visitors to our shores."

I totally disagree with that. The people who are spending the most money here on gasoline are not the visitors who come and rent cars, or for that matter, even those tour buses and so on that drive these streets, but the average citizens. It is unquestionable that everyone in this country has felt the effect from that particular tax increase. Gasoline for one thing, diesel another, is used to produce the fuel for the electrical plant, and we are all paying the price for the cost of electricity.

Another area that I think has had significant effect on the economy of this country, and indeed on the commercial activity which has expressed itself in a loss of revenue, is the fact that the Government has instituted it without any word whatsoever of what its thinking was, and what it hoped for or thought might come about, in a Constitutional Review.

For years and for almost two decades everyone has been saying, what a perfect situation we have here, that the Constitution should never be changed. Surely it did not come more strongly from any people than the present Government Members. But, because the Opposition Backbench were making attempts to see that Democracy continued in the Cayman Islands, Government responded with asking for a Constitutional Review.

There is no doubt in my mind that, that had an effect in the business community. I am not one for preaching, by any means, that we should have a Constitutional Review. The way it came about, how it came about, and right up until the present time, there is no definite statements made by the Government or for that matter, and to a lesser extent by other politicians here, there is considerable uncertainty.

Also I believe that all of these things together have had a psychological effect that has caused people to draw back, or to take the attitude "I will wait and see". "I was



thinking of doing some home improvements or I would have purchased a piece of land", as the case may be, the public has said "no, I better wait and see what is going to happen here". These are the things that have had effect, and are having effect and it has been as a direct result, in my opinion, of how the Government has managed its affairs.

In speaking about the cost of fuels I would like to turn my attention to the situation in Cayman Brac and Little Cayman, the two Islands of which I am one of their representatives, and to note that although fuel has gone up to the \$2 mark and a bit over here, that on Cayman Brac, residents there are paying \$2.50 per gallon. Although we may say in Grand Cayman that it has grown high, and I believe it will grow higher as conditions become more tense in the Gulf, whatever our cost here, we can be sure that it will be more costly in Cayman Brac.

Both in paying for electricity and purchasing gasoline and diesel, I most surely hope and trust that whatever needs to be done, that Cayman Brac can get a bulk storage facility for fuel. Whether that is done by the company that expressed interest in putting a bulk storage there, or whether the Government wishes to seriously sit down and determine a policy that those Islands should have a bulk storage facility.

What is extremely worrisome to me is that the first move apparently was unsuccessful because the Board responsible for considering the application, did not find it fit to grant the approval. I hope that this changes and quickly and even though the world, the United States at least seems to be slipping into a recession, Texaco, will be persuaded to go ahead with this particular project in Cayman Brac and that it will receive the necessary approval to do so.

In Cayman Brac and in Little Cayman also I sincerely trust that these two Islands will get their fair share in the overall tourism planning strategy for these Islands. I cannot honestly stand here and say that I believe it happens now to the extent that could, and surely it should, because we are all one people.

Tourism is important to these Islands on the whole, but certainly to Cayman Brac it is the second lifeline of keeping people employed. Next to Government it is the second most important aspect of commercial life. That has significance in terms of people, because Cayman Brac does have continuing dwindling population and unless there can be some ongoing and sure means of employment, more and more of the residents in Cayman Brac and Little Cayman will have to pull up roots to come to Grand Cayman to work.

It does not matter to me if concessions have to be given. I think they should be given because no-one should conceive of a time when economic conditions would grow to the point where those Islands would become so sparse in population that it would affect them for many, many years to come.

Right now there is concern on the Brac, and I am aware that certain decisions were being looked at and taken, that it might be necessary right in the face of Christmas, to lay off workers from the Public Works Department.

I am aware that the Member charged with responsibility for District Administration and the Financial Secretary have taken at least some steps to assist, to advance some monies for work to be carried on. There is one thing that I wish to point out to this Honourable House, and that is that Government will of necessity need to provide some work or development or continuation of projects so that the persons who are employed may continue to find employment. Within the private sector there is not enough development activity to take up the slack or to offer jobs to the people who will be without, if Government does not take the necessary steps.

The estimates that have been submitted by District Administration have been cut severely and I am aware that this has been the case for just about all instances in the Government attempting to arrive at a budget for 1991. But, I certainly do plead the cause of Cayman Brac and Little Cayman in the overall consideration within the Budget in terms of Government spending to assist in employing persons there. Surely those two Islands cannot afford more people unemployed because most statistics show that there is unemployment there beyond what we originally thought.

As to the roads in Cayman Brac, while I do not expect that there will be stupefying amounts of work done on them, there are some that are necessary. There is a continuation of some which could be carried out and I certainly hope that this will be done. I certainly will be asking that some monies, over and above what is provided, be transferred to votes that will benefit Cayman Brac and Little Cayman.

As I have said about the roads in Grand Cayman, I think that highways are not necessary. I believe it is very important for the Government to look at improving what roads exist now, fixing the shoulders of these roads, maintaining them, and if there are new roads, they must specifically be done and built where they can help the quality of life of the people and can help in the process of agricultural development. It is not at all necessary that super highways are put in so people can drive faster on them to get to work earlier when they get up late.

Again, I understand that there are certain ideas in place about improvements on the hospital in Cayman Brac, but I think that right now for the amount of demand on the hospital in Cayman Brac, from a physical point of view, it comfortably meets the demand. The problem there it seems, is with maintaining sufficient doctors or staff. I cannot be persuaded in voting the \$1 million that I see into the Budget, simply because somebody says that part of it is for the Brac hospital. That part of it goes into paying someone, namely I.H.C who is on stand by, to take that money and that money really has no benefit or effect for Cayman Brac.

I am also concerned that there are persons living in Cayman Brac and Little Cayman who are in need of welfare assistance; some assistance is being given, I admit. I have to

request that this continues and if anything, it is enhanced to improve the situation.

There is an ageing population and the needs are becoming more. And certainly some form of pension at this time in this country, would seem to be the right thing and thus another reason why the Member charged with the responsibility should not simply drop what he has started, and say he is going to leave it to someone else to do. He should find ways and means of achieving some equitable position so that pension can be produced.

I would like to note something that has been raised in this meeting of the House, and that is that the Public Works on the Brac remains autonomous. Perhaps that is why the Brac gets left out of certain consideration. While I can see supervision of the Public Works by the District Commissioners' Office, I think that when the Government sits down to set out a plan for the Public Works of what it should be doing and how, and the works and the projects it is supposed to be undertaking, it should be an overall plan for these three Islands. Cayman Brac and Little Cayman should be a part of that.

If there is going to be money spent on roads then it has to be spent properly, taking into account the necessity of roads all over, and the supervision and the organisation is such that the Public Works in Cayman Brac remains an integral part of what is happening organisationally in Grand Cayman. After all there is one Member charged with responsibility for it and I believe that it is only right that that should be carried out.

As I come to the end of what I wish to say concerning the Budget, and the state of affairs of the country financially, I support fully the observations of the Financial Secretary. He has pointed out at great length that we have to tailor our thinking to what is fiscally possible. We have to control public expenditure. We have to ensure achievement of value for money spent. We have to contain Recurrent Expenditure through curtailment of Civil Service growth. We have to look at increasing Civil Service overall and per capita productivity.

I think one outstanding statement that could be made concerning the Government's management to date, is that this Government has put country before self. When it became necessary that the people in Government had to think "do I resign as I should under the democratic process?" They said, "No, not self. I will put the country before me." Let that resign itself to what will come.

When one looks at projects which have been undertaken, did the Government say, "Let us look at what can realistically done?" Or did the Government say "We have some grandiose schemes. Let us put the country before self. Let us satisfy ourselves, the country can take care of itself."

When it came to the point where the majority of the people's elected representatives felt strongly that the country was spending too much too fast, and we did not know precisely where it was going to put us, did they respond, "Let us take a self evaluation, a look at ourselves?" No, they said, "If we stay, we will gain control. Put the country at stake before we put ourselves."

So I agree with many statements that are made about country before self. Indeed, the country has put before self of the Government and we have the results of it today.

If we are to survive, if it is to make sense for us as a people to continue in the well being that we have enjoyed for a long time, then we have some very hard decisions to make. Paramount to these decisions has to be a dynamic effort to direct education and gear it to our needs as is not being done now. I trust that something might happen once this report on education, that we hear about, is completed. I hope I will not be hoping in vain.

We have to set priorities and again I would refer to what the Financial Secretary has said. Essential spending versus optional spending. That is what I have been saying myself, that is what my colleagues in the Backbench have been saying. The spending, let it be essential. Let it not be a wish. We cannot afford optional spending. It has to be essential if there is going to be good Government and if we are going to save ourselves in the position which we state that we like of being financially sufficient.

One area that I believe needs serious consideration and examination is the Civil Service. It has been noted in the Budget Address. I totally agree with it. The Government needs to look seriously at savings in the Civil Service. There is no Government that can be doing what it should do, or concerned as it should be, if up to 57 per cent of its recurrent revenue is going in salaries. Something has to be wrong. Something needs to be done.

I say to this Government it should see about it at the earliest possible time. Savings can be realised. We have in place the machinery, the Organisation and Management Unit that can start this process, and it should be started in the earliest possible time.

Priority needs to be given in areas where there is not need for vast expenditures. There needs to be improvement in our legal system because it can no longer be reasonable to hear that we have a legal system that does not recognise the specific functional stenographers, that when they have produced their work the Judges have the right of review and correction. That does not help the confidence of anyone who wants to invest here either, if the judiciary lacks in its ability to function in normal norms.

Training needs to be paramount and continual in the private and the public sector. But there needs to be the political will and there needs to be the policy to make that work.

Health Services is another area, where much needs to be done to improve made. Because there is a new building, does not mean that the services will improve. I am all for seeing additions or modifications in the physical structure that allow improved services, but only what is necessary. In giving those services, some means has to be found, whereby, the people can ably meet the new and increased charges.

There has been one area on which millions of dollars of this country's money has gone and that is Cayman Airways. I believe that it is necessary for the Cayman Islands to have its own airline. I always have, long before it became fashionable for others to say so. But what I do not agree

with, is the 'harem scarem', unwise and obviously secretive way, that from one day to another, the public knows nothing, until it hears we are getting more aircraft.

It is an expense on Government, irrespective of what others say about it that it is a company and it takes care of its own business and it makes its own decisions. That would be fine if the final liability did not lie with the Government. The situation of Cayman Airways needs to be resolved and it needs to be resolved forthwith.

I trust that when the study is completed, it will clearly and specifically show without favor, one way or another, that Cayman Airways is in an 'x' or 'y' position. And that here are the recommendations and those concerned will abide by those recommendations once they are practical, they make sense, and they show that money can be earned and expenses can be cut back through doing the right thing.

Some of the changes that I have seen in recent times, in terms of personnel, I cannot believe is the right thing to be doing in terms of mounting costs to the Airlines. Surely, a third aircraft that will place that company or the Government into paying a \$1 million a month cannot be a smart move either. Even though I am accused of being a one-entry bookkeeper in this respect, I say that we can control what it expends, but we do not have any control over the revenue which it earns.

An area that is causing large increases also to persons, who of necessity must find a place to live and who do not live at home, is rent. I believe the time has come for the Government to take a serious look at what is happening in the world of rent in terms of at least setting standards.

Not the prices, let the marketplace dictate that, but surely in the type of accommodations and what is happening here and in some areas on this Island in terms of places being offered for rent or accommodation. They are inadequate, the conditions in them are unhealthy and unsanitary, and it is not good enough to talk about some people who live 25 to a room. People want some place to live, and they will find some place to live to the best of their ability. The problem and the shame lies with the Government that allows those places to continue and does not set proper standards. If they are collecting rent for them, then the owners are earning the money therefore the owners should be required to meet certain standards, I contend.

As I conclude, I trust that the Government of the day will make some attempt to listen, if even a little bit. To be persuaded that its own opinions are not necessarily the best in the world, and see that this has been proven. It will be persuaded to look at priority needs and not the wishes and not the optional spending if we are to survive in this country, and we are to undergo a Constitutional Review and all the other uncertainties which will face us in the coming year. Not least of which is the major uncertainty as to what fuels will be increased to, which will affect the lives of all of us, and not just the people who visit these shores.

As of this time the Government should not attempt to pat itself on the back. Its overall performance and stewardship has been a very successful failure. Thank-you, Mr. President.

**MR. PRESIDENT:**

Proceedings are suspended until a quarter past two.

**AT 1:00 P.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 2:26 P.M**

**MR. PRESIDENT:**

Proceedings of the House are resumed.

The debate on the Second Reading of the Appropriation Bill continuing. Does any Member wish to speak?

The Honourable Member for Education.

The Honourable Member for Education.

**HON. BENSON O. EBANKS:**

Thank-you Mr. President.

I support the Bill before the House. It is my opinion that much of the gloom and doom prophecy which we have heard from the Backbenchers during this Budget Debate, is due to the fact that generally there is uncertainty about the world economy caused by the rapid political changes taking place worldwide.

In regard to the American economy, to which ours is so closely linked and so heavily dependent upon, one can get as many opinions as the number of people one meets. While this period in time might be one for caution, it is certainly not a time for panic.

A few nights ago, I watched a television programme on which three economies took part. The first one said, that the U.S. economy had been in a recession for two years. The second said, that the U.S. economy was about to go into recession, and the third said, that the economy had not been in recession, that it was not entering one now and that it would not go into recession in the foreseeable future.

In fact, probably more appropriate is the comment in the Financial Secretary's Budget Address, where he has given three alternative scenarios for our economic performance during 1991, just to demonstrate the uncertainty of economic forecasting.

I also read in Fortune Magazine recently, that in their opinion, there would not be a recession in the U.S. economy because its exports were at an all-time high and for other reasons. This article in my opinion, is relevant and is up-to-date, being the 19th of November's issue. With your indulgence I would like to read just a few paragraphs of this article. It is entitled 'Exports Will Keep Growth Going'. It begins:

"Refurbished and well-oiled after sputtering through the 1980's, the great American export

machine accounted for about a third of U.S. economic growth during the past three years. It has been a key reason for Fortune's belief that recession will not hit this year or next, even though some executives are managing as if one has begun. And now the growth is slowing again, merchandise exports adjusted for price changes flattened in the second quarter and dipped on average in July and August.

Is the economy's major engine about to conk out? In a word; No.

Even economists who think a recession is at hand, mostly agree that exports will continue to advance at a solid rate. The recent slowdown seems partly a result of easing world economic growth and partly a digestive problem.

Foreigners need time to absorb all the U.S. goods they bought in spree last fall and winter. But key trading partners remain basically healthy. Higher oil prices will hold export growth down, not snuff it out. Fortune expects that real exports for the year will be up about eight percent. They should increase an additional five percent or so in 1991."

This article is about two pages but I will read the concluding paragraph.

"The picture will look worse when September's oil-inflated numbers make headlines in mid-November, (and this has certainly happened only this morning, Mr. President), but try to keep your eye on the real trade deficit which should shrink again and keep on shrinking through 1991.

That reflects the creation of U.S. output and jobs. And they are what will help tide the economy over during otherwise difficult times.

The export-led growth strategy that served so many other countries well in the past, now has "Made in America", stamped all over it."

I think that is significant in our circumstances. As I said, while 1991 is an uncertain period, it does not seem to me, that there is any reason for Caymanians to lie down and play dead. Or, as the article which I have just read from said, 'to manage as though we were already in a recession'. Certainly our tourism figures have been better this year than last. And that must be a good omen. When the Cayman Islands Government Budget and economic performance for 1990 is examined closely, there does not appear to me to be any real reason why so much gloom and doom should be said. I am also unable to see why the expressions of complete surprise at the anticipated deficit in the 1990 budget.

If we examine the 1990 Budget as prepared we will see that all our anticipated surpluses coming forward from 1989, was spent when the Budget was prepared and presented last year. It is also a fact that the Government accounts have not felt the benefits of the majority of the revenue measures which were put in place in July, 1990, to cover the Civil Service salary increase of some \$10 million. It is known that the Civil Service increase was made retroactive to the 1 January 1990, while the revenue measures were not effective in part, until the 1 July 1990, and that the balance will not be fully effective before the 1 January, 1991.

It is my opinion that the economy has not performed badly in 1990. As I said, there should be no real surprise, at least not to the Members of this Honourable House, that our surplus has been used up. As I said, this was budgeted for when the Budget was prepared in the first instance.

As the First Elected Member of Council pointed out, it was acknowledged by Government from June, that unless the economy performed considerably better than anticipated, part of the reserves would have to be used to cover the Civil Service increase this year.

What is also significant and important is that in June this year when the Revenue Measures package was before this Honourable House, the Members of the Backbench were against introducing those measures and argued instead that the Civil Service increase be paid from Surplus and Reserves.

Surplus which we did not have because, as I have said, it had been budgeted to be spent already. The Backbenchers were also reminded at that time, that the figure given as surplus at the end of May, could not be taken as a direct proportion of the yearly position. It was disproportionately high, as most of Government's revenue from Company Fees and Bank Licenses was collected early in the year and expenditure was always greatest towards the end of the year.

They were also reminded in December last year that if they were serious about reducing Government's expenditure, they should not reappportion the funds in the Budget for Health Services and the Master Ground Transportation Plan, to other less urgent or important items such as roads, boat ramps, abattoirs and the like. But, that it should be allowed to come forward in the surplus to finance more urgent projects. That of course was not given any credence.

To substantiate the fact that the economy did not do badly in 1990, I would like to go to some of the specifics in the Budget figures, and into the statistics. If we look at the Summary of Revenue at page 19 of the Budget, it will be seen that the Estimated Revenue for 1990, was met or exceeded in all but a few instances. For example, it will be seen that Import Duty exceeded budget by approximately \$4.2 million. Admittedly, some benefit from increased duty since July, has been enjoyed there.

Taxes were up by approximately \$1 million, and this is

accounted for almost entirely from Tourist Accommodation Taxes. Licenses increased by approximately \$100,000, and this is represented by increased Bank and Trust Licenses. Fees are up over projection by approximately \$500,000, and this is represented almost entirely by an increase in Company Fees amounting to some \$1.2 million offset by a reduction in Hospital fees. This increase encouragingly represents growth in the number of companies and in the commercial sector, as we did not increase fees on companies.

There are only two areas in which significant decreases will be found. That is in sales where there is an apparent decrease in revenue stamps on Property Transfers. And I say apparent because I am not sure that before the end of the year we still will not make that target. As I understand it, there is a considerably large project that has been delayed in its completion. And that, if the transfers take place by the 31 December, it could well put us at or over our target. The area would be in contributions, which, as has been explained previously, is accounted for by an error of \$4 million made during the budgeting preparation last year.

Of course, some person could tell me that I would also find that there had been a decrease in anticipated loans. But, if we have not spent the money, we would not borrow it. So, that is why loans were not drawn down to the expected level.

If we examine the statistics attached to the Budget Address, we will find that all the numbers there have been moving in the right direction also. For example, we find that the company registration continues to increase by 2,760, from January to August 1990, in fact. Total number of banks increased from 481 in 1985, to 537 as of August 1990. At page 34 of the Budget Address, we will see that for the first eight months of this year the increase is about equal to the whole of last year. We will also see that we have 971 Caymanians employed in the banking sector at the end of 1989, as compared to 684 in 1985. So, as I said, I do not see any reason why we should lie down and play dead.

When the Financial Secretary said that there had been some softening in the economy, it should be realised that what he was saying was that there had been some slowdown in the rate of growth of the economy, but not in the baseline of the economy itself.

At page 24 of his Address he said, that the slowdown in growth has been moderate, rather than dramatic. And more especially, that the estimated rate of growth in the economy of some 9.5 per cent for 1990, is still by world standards a very muscular rate of growth.

So when we talk about a slowing down of the economy, I think that we should accept that what we are talking about is our economy coming down or the rate of growth in the economy coming down to a rate of growth that most people would consider very acceptable and manageable.

We should also remember in my opinion, that around this time last year Caymanians were calling for policies to slow the rate of growth in the economy to more manageable rates.

It should be remembered that, the year the Financial Secretary gave statistics to prove that Caymanians could not possibly fill the jobs that were being created at the pace at which we were developing and, questions were being asked all over the Island, including from the Backbench in this House, "What are we developing Cayman for?. For whom are we developing Cayman?" So maybe the slowing of the rate of growth in the economy is not a bad thing.

But, perhaps the most far-fetched claim of all by the Backbench, is that the slowdown in the rate of growth in the economy is as a result of the changes made to the composition of the Finance Committee, and of the uncertainty over Constitutional Review. Surely, not even they believe that. There are no statistics included in this Budget Address or in the Budget itself, since the occurrence of the restructuring of the Finance Committee, and the Motion being passed requesting a Constitutional Review.

I wish to refer just one final time to the finances, and that is in respect of the National Debt. Now, I am cognizant as most that as a Government we have to be cautious with our borrowings. But, the figures should not be distorted in an attempt to gain political mileage or to cause unnecessary alarm among our constituents.

At page 66 of the Budget Address, it clearly stated that it is indicated that at the end of 1990, \$23.8 million of the public debt obligations will relate to the statutory authorities and only \$6.7 million is expected to relate to Central Government.

Most of the debt is in respect of the Statutory Authorities, relate to the Port Authority, the Water Authority, and the Civil Aviation Authority. All of these generate millions of dollars in revenue. They operate at a profit and they pay their own obligations. So, it is 'cooking the books' if I might use that term, for anyone to express the repayment obligation of these Authorities, as a percentage of Government recurrent revenue, and ignore the revenue earned by these Authorities.

In fact, before these Authorities were made to keep their own books, as independent entities their revenue came into Government General Revenue. It was added as all other Government revenue. If one is seeking to establish the percentage of Government recurrent revenue required to service the public debt, then the calculation should be against the \$6.7 million of debt attributable to Central Government. Or, if we seek to include the debt of the statutory authorities, because of Government guarantee of those debts, than the revenue from the Authorities must be included as recurrent revenue, when computing that percentage. Bearing this in mind, the debt repayment of the Government is by no means alarming.

I wish to deal with some of my portfolio responsibilities and there is no better place to start than with Education.

As all Honourable Members are aware, there is an ongoing consultancy of the Education sector. While the consultancy is broad and far-reaching, the main anticipated result, simply put, is to produce an organisational structure and curriculum which will equip every school leaver at 16 plus, and to present to the employer a well-rounded individual with basic knowledge and skills that facilitate training in a given vocation or occupation. And to provide two years of instruction for all children above 16 who wish to take advantage of it.

This will involve all levels of the Education sector and will also involve all Members of this Honourable House, at one time or another in the matter of legislation and finance, to produce the desired results. Here, I must express the hope that education will not become now, or in the future, a matter for political rivalry and rhetoric.

But, after listening to the First Elected Member for Bodden Town and the Third Elected Member for West Bay, I am left to ponder the fate of my hope.

Let me hasten to put on record that while we seek to improve our education product, we are not starting anywhere near the bottom of the ladder for this region. In fact, in the last few years we have seen some very good results in the examination level in the Cayman Islands High School.

Specifically, at A Levels, the results this year were a 70 per cent pass rate. But the most pleasing aspect is that 22 per cent of all passes were at A and B grades and three students in particular did very well indeed. One passing four subjects; three at A grade, and one at B, another passed five subjects with an A, a B, two C's, and a D. Another still passing four subjects with grades at A, B, C, and D. These are good results by any standards.

The results in the G.C.S.E. passes continue to be good, at 93 per cent pass rate, with 11 students this year obtaining the maximum of the seven higher grade passes.

Five years ago, 100 students per year left the Cayman Islands High School at the end of the fifth year without sitting an external examination. This year, only nine students left without sitting an external examination. This development is proof that there is a sustained drive to produce a more skilled and qualified school-leaver for the work force. Additionally, there are 50 students in the lower sixth form this year. There continues to be good results from the Community College.

When I listen to the First Elected Member for Bodden Town, and some others from that side, I am left to question as to where they have been living. He accused this Government and me in particular, of having closed the Hotel Training School and Trade School because they had been started by a preceding administration.

The fact is the subjects previously taught at those institutions continued to be taught under the umbrella of the Community College. I cannot believe that those Members are unaware of that. Surely, they must be aware of the purpose-built classrooms that are now nearing completion as the first phase of the Community College.

All that happened is that instead of paying rent and bussing children to Newlands, the classes are now conducted at the old Public Works compound and the Tower Building. What is significant, is that at the end of their course they sit examinations that are recognised, not just given a slip of paper with no currency to it.

Let me hasten to add that I have never in the past, nor will I at this stage in my life and in my political career, play politics with education or the future of the young people of this country.

That Member, also in my opinion heaped ridicule on the Work Experience Programme conducted by the Cayman Islands High School. I think he said that it was 'disorganised and unsupervised'. He sought to give the impression that he was speaking from first-hand knowledge, and the experience gained from the students who attended at the establishment where he works.

My information is that his firm has only ever had one student placed with them, that he was not the contact person for that student, and I understand that the firm sent no complaints to the school on the student as they were requested in writing to do, if they had had any. And certainly, I am assured that teachers visited the student.

But my information is, that the Work Experience Programme which is supported by all, is going very well. Work experience is hands-on, active education, which takes place out of the school setting. It is educational, both in the narrow and the broad sense, and it is vocational. It assists students in clarifying their goals, clarifying the decision-making process regarding their future careers, helping them taste the world of work, and understanding the importance of work ethics. It is in short, the bridge between school and the real world, and eases the transition from school to work.

One of its main aims in Cayman, is to instill in all the Secondary School students the importance of work and the importance of work-related skills and values. For example, punctuality, regular attendance, team-work, and respect.

The programme, I am convinced and satisfied, is well-organised, well-accepted by the students, parents, and most employers.

The students are certainly supervised by teachers, and I believe the question of insurance was raised and I am happy to inform the Member that Government does carry insurance on those students, while they are out on the work experience.

Over the past three years approximately 300 students have gained experience through this scheme. I believe, that that is commendable for the school.

Additionally, all students at the Community College who are in the department of Hotel Studies and Technology, are placed on work experience attachments as well. They too, are supervised and many have gained full-time jobs from their work experience programmes. This is being introduced, or has been introduced in the Business Studies Department as of the beginning of this term.

In regard to the Education Plan suggested by the First Elected Member for Bodden Town, I have no serious quarrels with what he had to say. I can only add that it was a very good paraphrase, or precis of the Executive Summary of the Interim Draft Report and Proposals, made by the consultants employed by Government and given to Members of this Honourable House in May of this year.

I see several changes to come from the Review, that do not

differ, as I said from what was suggested. I see greater emphasis being put on integrating the school with the community and the community with the schools. This, is likely to result in a change in which the way most of the schools are managed. I would hope to see a revised curriculum devised with input from the community, employers, and the schools and having greater integration throughout the whole system. Whatever the final recommendations, I hope that Members will appreciate that it will cost money and I look forward to their support.

As I said earlier, I would trust that we can all work together for the betterment of education, without undue political wrangling. And, I hope that whenever the consultants report is published, that it will be looked upon objectively and not from the point of view of who started what.

Now, I will deal a bit with the charges of overcrowding at schools. Especially the George Town Primary and the West Bay Primary.

Earlier this year, I think it was in the very last session, in reply to a question about this matter, I pointed out that as a result of the addition of a multi-purpose hall and other changes, that there is no physical overcrowding at the George Town School as such, at the moment. The need for an additional Primary School in this district is real and it is acknowledged because the shear numbers at that school are too great. And, I think it is well-known that the Portfolio is searching for suitable, affordable land. At the moment, negotiations are ongoing on a parcel that is considered suitable. Hopefully, this problem will be addressed during 1991.

With regard to the West Bay Primary School, the monies that were placed in the Budget in 1989, were really not specifically for West Bay. As far as I recall, possibility of overcrowding at the West Bay Primary School was not present until after 1988, after the change in principals. At budget time that year, when this became evident, I had an amount in the Budget for Savannah, I put a stroke through it and put West Bay after it in order to regularise the position and legalise it in the event that the money could be found and Public Works could do the additions to the school that year.

No firm figure was put into the Budget until 1989. That sum was based on the cost of the two classrooms at Savannah. As I have said earlier, also on this question, in response to a Parliamentary question when a closer look was taken at the John Cumber School, and the real position was seen, it was decided that it would not be good enough just to add two new classrooms to it, as it had been patched and patched enough already. What was really needed was a new school. The need to design and draw plans for that school and have it put out to tenders is what caused the delay in building the school during 1989, and completing it in 1990.

While I regret the delay, I certainly do not seek to blame either of the other Members for West Bay or anyone else for the delay. I do not know where they could have gotten that idea. I have always shouldered my responsibilities and certainly I will not play politics with our children's education.

As I said on the previous occasion I am certain that when the classrooms are handed over, they will be of a very high standard and that everyone concerned will be happy. I do not believe that any permanent or lasting damage to anyone has been done. I would only add that perhaps we have been more lucky than most, to be able to address our needs in school plant and equipment so readily, after overcrowding or the need for excess capacity is seen. I do not know whether other Governments will be able to say the same thing.

With regard to the environment, that is everyone's business. Every act of man affects the environment in one way or another. This Government is committed to putting in place, and continuing present ones, what will ensure sustainable development where our natural resources can be used and enjoyed by this generation, but not depleted and damaged to the extent that they will not be around for succeeding generations.

Everyone is so conscious of the frailty of our environment and natural resources today, both in the water and terrestrial, that to do less in our small island would probably bring down the wrath of the international population upon us. What is most encouraging to me is that our young people are becoming so environmentally and culturally conscious.

In the area of culture, the Cayman Islands National Cultural Foundation is coming into its own. During this year, the Foundation, for the first time ran a training course for aspiring playwrights and then had the winning plays performed at the end. The product was commendable, and it is intended to be repeated this year. What again was most heartening, was that our young people, our students, were in the forefront.

The Cayman National Museum was opened on the 17th of this month, and gets nothing but praise from those who view it. The Oral Memory Bank is making great strides at this time and for the first time it is been approached in an organised way as a joint project of the Museum and the National Trust.

The National Trust continues to do a commendable job, even raising iguanas in captivity now. A similar approach is planned for some of our birds that are becoming extinct. Of course, work is going forward on the Botanical Gardens.

And lest I forget, I wish to pause here to say how grateful Government is for the work which the Chairman and Board of Governors and Trustees of the Cayman National Museum, the Chairman and Board of Directors of the Cayman Islands Natural Cultural Foundation and the Chairman and Members of the Board of the National Trust are doing. Also their members, district committees, and any others who help with this task of voluntary work in those organisations.

Much was said about sports, but this Government has done more for sports and recreation than most in this country. Between the purchase of lands for playing fields; the construction of new fields the extension and improvement of existing ones; grants of hard cash to the various sporting organisations; relief of customs duty to the clubs and associations; and the increased cost of

administrators and coaches provided, this Government has spent on average of \$500,000 to \$1 million annually.

The Second Elected Member for Bodden Town, made reference to comments he had seen in the local press by a visiting F.I.F.A. referee. I would not be too concerned about that comment because something seems to have been wrong with him. To say that there has been no improvement to the football field at the Annex in George Town over the past 12 years, is incorrect. The field has been redone, re-seeded and re-soiled at least twice in that time as well as drainage put into it. The lights for playing at night were certainly installed since that time.

The true character of that visitor was displayed by the other comment attributed to him in that article, and not mentioned by the Member from Bodden Town. The article said that the visiting referee had been on the Island for three days, and during that time had held two meetings with referees. It went on to quote the visitor as saying, that when he went to visit a football match on the third night of his visit, and saw how well behaved the spectators were, he had said to himself, "Well, if I've done nothing else....", meaning the visitor. He felt good because he at least had influenced the spectators' behavior by what he had been saying.

He had not spoken to the public, full of himself, so I am not too worried. I would just suggest that maybe he could straighten out his own backyard before he begins to criticize ours.

**MR. PRESIDENT:** Would it be convenient to break there for you?

**HON. BENSON O. EBANKS:** Yes, Sir.

**MR. PRESIDENT:** Proceedings are suspended for fifteen minutes.

### 3:19 P.M. THE HOUSE SUSPENDED

### HOUSE RESUMED AT 3:45 P.M.

**MR. PRESIDENT:** Proceedings are resumed.  
The Honourable Member for Education, continuing.

**HON. BENSON O. EBANKS:** Thank you Mr. President.  
When we took the break I was on Sports, Sir. I will continue by saying that I have a feeling that for some people, Government support of Sports is an easy ticket to travel and relaxation. Having said that, there are many, many public spirited individuals and organisations in these Islands, who do much both in time and money, to encourage and improve sporting activities and who do sterling work with our young people. For this, I and the Government are truly grateful. Their efforts are very much appreciated.

During 1990, nearly \$1 million were budgeted for Sports. In 1991, the vote reflects Governments belt-tightening exercise. The total vote is still considerable, \$186,000 in raw cash for grants to sporting organisations and associations alone. We will not be able to accommodate every request to be sure. We will do what we can.

Some Members speak through both sides of their mouths. On one hand, they talk about belt-tightening and spending less money, and then on the other, they talk about spending more and more money. I am afraid some are unable to say no to constituents, even though, they will not help with the raising of the money. They have to make up their minds about what they want. They cannot have their cake and eat it too!

I wish to deal again with some of the more general comments and criticisms that were levelled at Government.

The collective chorus coming from the Backbench included charges such as the slowdown in the rate of growth of the economy is due to uncertainty over the Constitutional Review. Any uncertainty in this regard, has to have emanated from their utterances.

Government's position has always been very clear. Government considered that the cause of the passage of time and because of the changes and developments that have taken place on the Islands since the present Constitution came into effect some 18 years ago, that it is timely that the people of this country have an opportunity to say whether they see the need for any change. Government has provided the machinery whereby that exercise can be carried out in an orderly manner.

It requested the Foreign and Commonwealth Office to provide a commissioner or commissioners to come to these Islands to hold meetings and discussions with the people and to advise on their findings. That is a simple, orderly exercise carried out in civilised countries the world over, all the time. If any confusion and uncertainty has been caused over this, it has been the Backbenchers' unwillingness to accept this procedure and their advocating on the one hand, that the question of a Constitutional Review be settled by a referendum, or failing that, by a Select Committee of this House.

They also claim that uncertainty was caused and the wrong signals given when the Elected Executive Council refused to heed their call to resign last year, or earlier this year. They sought to use recent developments in the United Kingdom as a parallel situation. Nothing could be further from the truth. What took place with the change in the United Kingdom, was that at the election for the leadership of the ruling Conservative Party, Mr. Heseltine challenged Mrs. Thatcher for the leadership of the Party and hence the Prime Ministership, by having his name in nomination against her in that election. This was carried out amongst the sitting Parliamentarians, not a general election.



The vote was taken and Mrs. Thatcher failed to gain the required majority of votes and resigned rather than cause more dissent in the Party, in light of the general elections which must be held, as I understand it, within the next 18 or 19 months. The Government did not resign. In fact, on the same day that Mrs. Thatcher announced that she would resign as Prime Minister, a most spirited debate was conducted by her and her Party in Parliament, over an Opposition motion calling for the Government to resign. That motion was defeated most soundly.

Our Constitution is most clear on how the Elected Members of Executive Council can be removed by the other Elected Members of this Assembly. That is, by having a motion to rescind our election passed by a two-third majority in this Assembly. This Motion, the Opposition or Backbenchers whatever they wish to call themselves, has not been brought, because they know they cannot win such a motion. Instead they have sought to change our Constitution to permit them to remove us by a simple majority. If they argued that such a move to change our Constitution at the stroke of a pen is unsettling and upsetting, then I could agree.

Their claim that the slowdown in the economic growth in these Islands is caused by the \$10 million Revenue Package passed in July last, is just as ridiculous. Those measures that were effective immediately, had only been in place for three or four months, when this Budget was prepared. So, no \$10 million has been taken out of the economy, yet the opposite is true. Approximately, \$7-8 million extra have been put into the economy through the civil servants salary raise given in June.

So, let us not distort the picture. Any slowdown of consequence which we have experienced, will be as a result of the uncertainty over the situation in the Persian Gulf conflict, and that will be settled one way or the other soon. Then, we can trim our sails accordingly.

They claim that our projected revenue for 1991, is optimistic, but that again is unfounded. The opposite is true. A growth rate of 9.5 per cent in the economy is anticipated. When that is coupled with the full benefit from the revenue measures enacted earlier this year, then the projected revenue for next year is realistic. We have only budgeted for ordinary revenue to increase by some \$10 million.

The other charge that has been made, is that the country's economy has deteriorated since the change made to Standing Orders earlier this year. That is, the changes made to the composition of the Finance Committee by changing the Standing Orders.

I would just like to go on record as saying that it is my view that the composition and structure of our Finance Committee at the moment, is the same as it is in every other dependent territory. That is, it is comprised of the whole membership of the House, both elected and nominated.

In his roundup, I believe the Second Elected Member for Cayman Brac and Little Cayman, tried to, use the normal trick of reading half of a sentence and giving an unusual or incorrect impression.

He said, that at no time had they said that the Revenue measures in June, should have been brought in two parts or in two bites. On the 16 July 1990, that Member is quoted at page 17 of those Minutes as saying:

"My argument is that a good Government would have brought about this increase in two parts, because it would have been better for the public to absorb a smaller amount of taxes at one time, rather than be hit by a large tax increase in one instance."

If that does not mean that we should take two bites at it, then I do not know.

On that same day in the same Hansard, you will find where he advocated using the surpluses to pay the Civil Service increase and refusing to support the revenue measures.

Earlier I made mention of the fact that Members had been told that the figure at the end of May was unrealistic and disproportionate. I wish to quote from the Hansard on the 16 July, page 24, where I said:

"So in fact, the \$15 million figure used at the end of May 1990, which was a 'guesstimate' is, in fact, in many respects, illusory. All that has happened is that Government collects most of its revenue from bank fees, company fees and that type of revenue by 31 January. For the first half of the year there is usually considerable surplus on the current account but it is used as the year progresses to finance the expenditure in the budget."

I went on to give the examples in the Education Portfolio, and indicated that much of what we budgeted for was coming in sometimes three times the value of what we had originally budgeted, so that we could not avoid those increases.

I had several other places in these Minutes marked and I am only going to read one more because I do not believe that the Member was very convincing in his argument. In respect of the increased tax on gasoline, this is what I had to say at page 13:

"In general, these fees will not affect the average persons in these Islands. As I said, yes, gasoline will definitely affect those persons who drive cars. And, most households seem to have one car per person in it. Maybe, if this had the effect of one less car, it might be one foot less that we would have to put on the new roads. But, most of the gasoline consumed on this Island is consumed in one way or another, directly or indirectly by visitors to our shores."

And that is another area in which I repeated the same words.

I am not going to spend too much more time answering that, I just want to reply to one other matter that was raised. And that was that Government could have paid the salary increase in two amounts rather than the one bite.

I would like to point out that the offer from the Civil Service Association or Public Managers Association, whoever they might be, was not a straight average of 22 per cent. If it had been taken in two amounts, it would have in the end cost Government considerably more money, and it was Government's decision that to pay it in one amount would be more realistic and we did not want to be bringing in tax measures every time the House met.

The logic for that if any argument was needed, was given very clearly by the way Members, in my view, misrepresented the effects of that tax package.

So, we would have been talking about this for four years, if we had tried it in two yearly increments. I just want to point out too, that the Second Elected Member for Cayman Brac and Little Cayman, in quoting from the newspaper about the expected hike in electricity bills, misquoted the article. The increase was 3.48 cents, not \$3.48 per kW hour. An increase of 3.48 cents.

It should be pointed out that, that increase is only partly and very minutely affected by Government's tax. If it is remembered, the price of gasoline and diesel actually fell in this country after Government put this tax on. It was since the crisis in the Gulf, where prices of petroleum products have escalated rapidly that the price has again gone up. Government's 12 cents per gallon still remains a reasonable charge against that product, in light of what Government spends on roads and other facilities in this country.

I thank you Mr. President.

**MR. PRESIDENT:**

The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:**

Mr. President, I rise to speak on the Estimates tabled here and on the speech as delivered by the Honourable Financial Secretary. I offer too, my congratulations to the Honourable Financial Secretary for a well-presented speech. Although the speech hardly said anything about individual Portfolios, it gave a very clear picture of the economy as it stands, and it tells us what to expect in these recessionary times.

The picture presented by the Honourable Financial Secretary is so clear, that even the four Elected Members of Executive Council, had been widely trying to say to the public, 'no, it does not look that way, or it does not exist like that'. But, it is their budget, they put it together, they spent the money, the country has suffered, they have to take the blame.

This, Budget for 1991, (God-willing), to me is a 'stretch-to-fit' Budget. Trying to stretch the revenues to fit the reckless spending in this country.

Before I go into the debate, as usual I wish to thank the Clerk, her Deputy, and their staff for the assistance they have given me over the past year, and for the good job they have done over the past months.

This year was particularly busy, as there was a local Commonwealth Parliamentary Association Seminar, which was well-organised, and of course the Clerk, her Deputy, and staff made the seminar very smooth and successful. As Chairman of the Association, I wish to thank them again on behalf of all members.

I wish to thank also those departments that have assisted me in my responsibilities to my constituency over the past year. And I look forward to a new year where more can be done for less.

Perhaps at the risk of over-taxing your patience, owing to their importance and our concern under the present circumstances, I will take the liberty of dealing at random with certain points of our economy, which gives me a great deal of concern. Then I will move on to the subjects which I shadow, which is the Portfolio of Health and Social Services and related areas. Then finally, I will try to deal with matters pertaining to my constituency; the District of West Bay.

The Financial Secretary's Budget Address in my view, paints a picture of a rapidly slowing economy, together with runaway Government spending.

In 1987, real growth in the economy was 15.6 per cent. For 1991, it is estimated to be 9.5 per cent, and could in fact be substantially lower. Although Executive Council is saying that it will not. In regards to this 15.6 per cent growth in 1987, one could hardly expect for the economy to keep running at such a high level. I say that, given our type of development, which depends so much on corresponding developments of infrastructure, which because of financial restraint have not and cannot keep pace.

However, when we allow such runaway rates of growth annually, the country at large lives well. And by that I mean businesses expand; people travel more; they dine out more; spend more on luxury items; buy new autos; or engage in home expansion. So, people come to expect in times of high growth, a high standard of living. This is what has happened in this country over the years. The problem, however, occurs when the economy takes a slide. When the economy takes a slide, incomes fall, but the high standard of living is still expected by the populace.

The Member of Executive Council who just finished speaking, said that the slowing of the rate of growth in the economy would be good because people were saying 'who are we developing Cayman for?'

That statement would probably hold some water, but the Executive Council has not shown any capability to work in tandem with a slow rate of growth. They have been spending and spending on projects which the country cannot see any benefit from. They have put the country in a

deficit of \$18 million and have gone to borrow for the year 1991, \$13 million for capital works. They have turned some very basic housekeeping matters into capital works and are now borrowing for that kind of expenditure. I will try to deal with the amount of money spent in districts later on.

I can tell this House that there is very little done in the District of West Bay. Given the amount of expenditure, that they have incurred in this country and now are going on to debt financing, I have to ask the Executive Council, 'Where is the beef? Where is the beef?'

I will deal as I said later, with the amount of money spent in the districts.

In 1987, Government's Recurrent Expenditure was around the \$65 million mark. For 1991, Recurrent Expenditure is budgeted to be \$97.6 million. I would question the ability of the Government to contain expenditure to even this high figure. I do so on the basis that we were told at the end of last year that recurrent expenditure for 1990, would be \$84.6 million. And now we see that recurrent expenditure for 1990, is expected to be \$96.4 million.

If we have the same 14 per cent over-spending in 1991, recurrent expenditure is likely to be more in the order of \$110 million or \$111 million. Not the \$97.5 million they are estimating.

If we add the Estimates for statutory expenditures \$7.7 million, new services \$4.9 million, and Capital Expenditure \$13.3 million, total Government spending in 1991, could be as high as \$136 million. \$136 million, if the Executive Council do the same corresponding expenditure next year, as we had for this year. It will not be the \$123 million that is being estimated. The question is, where is that money going to come from?

I submit that their figures for recurrent expenditure have been cobbled together to match expected revenues. That actual expenditure in 1991, if they keep going at the rate they are, will far surpass budgeted figures as they have done for this year.

We now look at the revenue projections for 1990, and 1991. Total revenues for 1990, are expected to be \$108.1 million and included in this figure is \$1.6 million in loans drawn down this year and transfers of \$7.8 million from general reserves. General Reserves, built up in previous years, not 1990. So that the true estimated figure of revenues generated in 1990, is \$98.7 million.

For 1991, the total revenue projection is \$122.5 million. Again, included in this figure is loan drawn down of \$13.3 million, so that the true figure of revenues to be collected is \$109.2 million. This is a \$10.5 million increase, or 10.6 per cent increase on the previous year.

In a slowing economy this increase is not possible without additional revenue measures being introduced during next year. Or, without the country ending the year, that is next year, with another deficit.

The Government is not giving us the whole picture. And, that is evident by the contradictory remarks made by each member of Executive Council. One member of Executive Council got up in his debate and said that we do not have a deficit, we have a surplus. That is the good accountant, the Member for Communication and Works.

The Member just speaking awhile ago, has admitted because he has been here too long, and he knows that the people understand, he has admitted that things are bad. He is hoping that things will get better. He has been down this road before. But, he could not hold up his brethren sitting behind him. He had to admit contrary to the accountant that yes, we do have a deficit, and yes, things are bad, but he is hoping that things will get better.

Things are not going to get better. Things might improve worldwide, but the way this country is spending money unchecked, the financial position will not get that much better. I hope that I can be proven wrong at the end of next year, because this country is facing a serious, serious situation and it is no good that the Executive Council is standing in this House and trying to give a false economy to the people of this Island, for them to expect something that we do not have.

They have to tell the people, things are bad. And that is what the Honourable Financial Secretary said in the Budget. He said, 'things are bad and it is looking worse'.

I wonder if we could take the break now, Mr. President.

**MR. PRESIDENT:**

I make it five minutes to go. I would not want to deprive you.

**MR. W. McKEEVA BUSH:**  
can carry on.

Oh, Mr. President, we were deprived some afternoons ago, but I

Included in the Revenue Estimates, is a figure of \$14.6 million for Stamp Duty on property sales and mortgages. This compares with an estimated figure for 1990, of \$12.6 million. Real estate activity is very unpredictable. We have seen major fluctuations in previous years and I shudder to think what will be the state of this country's finances if property sales in 1991, do not surpass levels attained in 1990, as the Government is expecting. I shudder to think what will be the state of our country's finances next year.

The Member for Education said, that there was an apparent fall in revenue from property sales, the same Head I am dealing with, Stamp Duty. There is nothing apparent about this. It is very real. It is very real. I have stood in this House before and listened to that Member on Executive Council, in other years, when we had a recession stand here and give the same kind of example regarding a big company planning to do something and are just waiting to get the money. Those kind of stories do not put food on the table.

I would hope that we have something out there that is going to make up that shortfall. Because it is not apparent, it is very real.

I want now to turn to the country's reserve and debt position.

Government always tries to confuse the facts by making a distinction between Government's own borrowings and those borrowings it has guaranteed on behalf of the statutory authorities. But, at the end of the day, the Government is liable for the combined total of statutory and public debt. There is no getting around it.

I, as I guess most of us do in this House, sometimes guarantee loans for some constituent or some person. And I know some people who have done that and at the end of the day they had to pay because the person they guaranteed could not pay. Anytime you sign that document saying you guarantee, if something happens, you have to pay. That is the position of the Government.

The Government began 1990, with a surplus of \$11.8 million, and general reserves of \$19 million. Because of the excess of total expenditure over total revenues in this year, it is estimated that the surplus will have fallen to \$1.3 million at the start of 1991. General Reserves will have fallen to \$11 million. This represents a decline of \$18.5 million in the country's savings or 60 per cent of our savings in the space of 12 months. Seriously, 60 per cent of our savings in the space of 12 months. Now, I ask you, is this prudent handling of our money? Is this good stewardship of the country's savings? Is it, Mr. President?

I have heard the Members of Executive Council say that it is the fault of the Backbench that this expenditure has declined. This Backbench does not control the finances anymore. They do. They do. And tomorrow morning I will get fully into this. I am not going to spend my time talking about who is in control. The fact is, they control it, we have a deficit, things look bad, and it is getting worse. We have to tell the truth.

Thank-you, Sir.

**HON. THOMAS C. JEFFERSON:**  
o'clock tomorrow morning.

Mr. President I move the Adjournment of this House until 10

**QUESTION PUT: AGREED:**

**AT 4:30 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M.  
THURSDAY 29 NOVEMBER 1990.**

**THURSDAY  
29 NOVEMBER 1990  
10:12 A.M.**

**Mr. President:** Prayers by the First Elected Member for West Bay.

**PRAYERS**

**MR. W. McKEEVA BUSH:**

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 the light of his countenance upon us and give us peace now and always. Amen.

**MR. PRESIDENT:**  
Elected Member for Tourism.

Proceedings of the House are resumed. Papers, the Honourable

**PRESENTATION OF PAPERS AND REPORTS**

**AUDITED FINANCIAL STATEMENTS AND REPORT OF THE CIVIL AVIATION  
AUTHORITY FOR THE PERIOD 1987 - 1989**

**HON. W. NORMAN BODDEN:**

Mr. President, I beg to lay on the Table of this Honourable House the Audited Financial Statements and Report of the Civil Aviation Authority for the period of 1 June 1987 to 31 December 1989.

**MR. PRESIDENT:**

So ordered.

**HON. W. NORMAN BODDEN:**

Mr. President, I must first of all apologise for the delay in tabling these statements and report, as required under the provisions of the Civil Aviation Authority Law. The delay was due mainly to the process of clearly establishing the value of the assets being vested in the Authority and having an agreement reached between Government and the Civil Aviation Authority on the liabilities and other related matters.

I must point out, however, that while there was a delay in concluding this transaction, from the beginning a proper accounting system was in place so that the Authority's business was being properly conducted with all internal controls in effect, and that repayments to Government were being made. Under the Law, the Authority is charged, amongst other things, to exercise and perform its function so as to insure that Revenue collected are sufficient to meet its financial obligations, including Reserves. This requirement is being met, as the accounts indicate. As of 31 December 1989 the Authority had a total of \$3,989,682, in operating Revenue as opposed to a total Expenditure of \$3,675,920, leaving a net income for that year of \$313,762, which when added to the General Reserve at the beginning of the year of \$660,154, produces a total General Reserve of \$973,916, as of 31 December 1989.

The Authority is responsible for the general management and control of Airports in the Cayman Islands. It performs its functions through the Director of Civil Aviation, who is dedicated and takes his responsibilities most seriously. His efforts, combined with the assistance from members of the Civil Aviation Authority Board whose advice and support I value, will continue to protect and ensure the orderly development of these necessary facilities which serve as the lifelines to these islands. Thank you.

**GOVERNMENT BUSINESS****BILLS****SECOND READING****THE APPROPRIATION (1991) BILL, 1990**

**MR. PRESIDENT:** Continuing with Item 3 on the Order Paper. The Second Reading of the Appropriation Bill, the First Elected Member for West Bay, continuing.

**MR. W. McKEEVA BUSH:** Mr. President, Wednesday afternoon prior to the close of business I was saying that Government had cobbled together the figure for Recurrent Expenditure to match expected Revenues and that actual Expenditures for 1991, will far surpass the figures budgeted as they have done for 1990. I said that because of the mismanagement by the Executive Council, there has been a serious decline of \$18.5 million in the country's savings in the space of 12 months, 60 per cent of our national savings, an indictment on the Executive Council. We have had deficits before, but never in the history of this country has there been a situation where we have had to borrow money to fund some regular housekeeping expenditure and never before had this country ever had an \$18 million deficit.

For 1991, there is no surplus of Recurrent Revenue over Recurrent Expenditure to help finance Capital Expenditure as has been done in previous years and in fact, as I have said, the entire Capital Expenditure Budget for next year is being financed by the borrowing of \$13.3 million; \$13 million of borrowed money for somebody else to repay. The position, although being made light of by the four Elected Members of Executive Council, is serious because the surplus that we started 1990 with is now down from nearly \$12 million to \$1.3 million.

If there is any shortfall in Revenue or overspending in 1991, the options will be to borrow more on top of the \$13.3 million or continue to raid the General Reserve again and it is quite possible that Government Revenues could fall short by \$5 million. That is possible, \$5 or \$6 million and Recurrent Expenditure could overshoot by the same amount, so that we could have a gigantic borrowing in 1991, half of which would be to finance Recurrent Expenditure. Either the Government borrows or they tax us again to get the shortfall.

If we examine the Capital Expenditure Budget for 1991 we see that, of the \$13.3 million that they are borrowing, very little of that money is earmarked for projects that will generate any income for Government so that in future years there will be no additional income generated to help repay that debt. By Government's own estimates total Government debt and Government guaranteed debt will stand at \$30.5 million at 1 January 1991 and when we add the borrowings of \$13.3 million which total \$43.8 million, that could easily be much more. As I have said before, you can see that Government is building up huge amounts of debts for future generations to pay off. That is the fact of it Mr. President, they cannot get around it. We have over \$30 million in debt, which we have guaranteed or directly owed and we are borrowing \$13.3 million, so we have over \$43 million of debt.

I do not buy the argument that \$23 million of this debt is not the responsibility of Government, because it is owed in the first instance by the Statutory Authorities. That is rubbish! Government has approved it and Government has guaranteed it. The Statutory Authority operates in a monopoly situation where they can charge what fees they like, so that their debt burden is the debt burden of the people of these Islands, who ultimately will have to pay it off in the form of higher fees for their service, should something happen and the revenue fails to come in.

The Government with its runaway Recurrent Expenditure is digging a hole for this country. The growing demand for Government Revenue is going to make us slaves to any kind of development that we can attract and this country will no longer be able to be as selective in the kind of development that is good for these islands. We will finish up by prostituting ourselves to anyone that comes along.

The so called bright spot in the economy that Government Members have pointed to, the growth in the number of stay-over visitors for 1990, is misleading. As the Financial Secretary pointed out, it is visitors' spending that the criteria by which success in Tourism should be measured and actual visitor spending in 1989 was down over 1988. I doubt when the spending figures become available for 1990 that they will show the increase that is reflected in the number of stay-over visitors for 1990.

In my opinion, we need seriously to address the matter to look for new sources of revenue. The traditional revenue measures we have are not far away from being exhausted. People and businesses of these islands cannot be asked to take on anymore of the tax burden. The very real advantages we offer the offshore industry are of premium worth, but I believe that the cost of doing business here is rapidly reaching a point where it is slowing down the growth of new business and may even eventually drive away established businesses.

I believe the financial sector in this country is viewing with alarm the growth in Government's Recurrent Expenditure, the reduction in the General Reserve. They are viewing with alarm the near elimination of last year's surplus and as the result of all this, the absence of available funds to make the much needed improvements to the infrastructure.

The offshore industry like any other business, is profit motivated and we must not forget that our success in attracting this industry to these islands had as much to do with the negative environment created in the Bahamas, as with any conditions that we create here. Every few months some country in the world announces that it will start up an offshore financial industry; many in our own region and if we

carry on as we are going, I wonder which country will have us to thank for their success in attracting away our banks and insurance businesses.

Looking at some comparative costs on company formation, taken from the October issue of *The Investor*, a magazine published by the respected *Financial Times*, these comparisons are as follows: British Virgin Islands - 525 pounds Sterling; Jersey - 550 pounds Sterling; Nevis - 475 pounds Sterling; Panama - 350 pounds Sterling; Turks & Caicos - 495 pounds Sterling; Barbados - 900 pounds Sterling; Cayman - 1500 pounds Sterling. These figures speak for themselves. We are already one of the most expensive offshore destinations for company registration. Government, as I said, needs to put on their thinking caps, they need to take off the dunce hats they have been wearing.

Earlier this year, The First Elected Member for Bodden Town and myself moved a Motion for the Diversification of the Economy, and what has happened? The Government poked a lot of fun at our suggestion. But as I said a little while ago, and I am not going to take the time of the House to go through it again because those facts are well documented, we need to look at seriously diversifying our economy.

We suggested expansion of the airport to take Trans-Atlantic flights and that was a good idea. It needs to be done if we are going to continue to compete. We need a serious expansion of our airport facilities.

We suggested the free zone business for the country and that would have meant expansion of our Port. But one of the Members of Executive Council got up, as the brain artists that they believe they are, and suggested that would compound traffic problems in George Town. Why did the Member not listen? Why did the Executive Council not sit down with us and say, "Are you suggesting a Port Facility in George Town or are you suggesting it somewhere else?" We are looking to the future and we need more revenue, and the free zone status can help us. We are not talking about manufacturing cars, we are talking about small businesses dealing in high technology. It can be done.

I talked about diversifying our tourist business and I gave the examples of Hell and Pedro Castle. All this would enhance the tourism business and if we do not start to do something to encourage people to come here, we are going to suffer. It is as plain as day! The old fogies can sit down and talk about the entertainment side of it, but that is just one part of it.

The Member for Education said that if I did not change my ways, I was going to spend a mighty long time in hell. Well, I do not believe that being the good Christian that I am, but as I tell you that if the Executive Council of this country does not change their direction, this country is going to spend a mighty long time in the depths of debt burden.

Yes, we need to look at the diversification of our economy, we need to look at constructive ideas when they come across to us, instead of poking fun at those ideas. They are bankrupt of ideas, they do not have any new ideas. They look at the banks, they look at the company, they look at work permit fees, gasoline and so forth, and they say we shall add on more fees, we shall tax the people, let the people pay for it. They are killing the competitive position of this country. They added tax on liquor, when the tourist is already complaining about the high cost in this country. How are you going to attract tourism if you are continuing to raise the prices, and the quality of people that you are getting are not spending the money?

I have heard in the House by the Member for Communications and the Member for Health, the accountants on the Executive Council side, that with a recession in the United States it does not necessarily mean that the Cayman Islands will be affected. Are they crazy? For a country that has to depend on the United States for 83 per cent of our tourist market, do they not believe that we will be affected? There is evidence that our tourists are not the great money spenders, which means we are not getting the quality which guarantees greater input of money into the economy here. And by the way, the United States themselves are campaigning for their people to stay at home. We have to look at that in a serious light.

What we should fear most is the inconsistency of the American economy. Any economic disintegration or weakening by the United States, coupled with factors in these Islands which we have not come to grips with, like as I said, high cost would of course have direct and immediate effects on our national economy. So we must therefore, immediately measure these effects, foresee their results and bravely make the necessary decisions to protect the Caymanian economy as much as possible, in a world where the economy is somewhat shaky and where there is continued competition of our major product, Finance and Tourism.

We have direct dependence on the American economy. Their national and foreign problems have damaged us in the past, causing us to have a recession here directly due to the foreign and the national problems of the American economy. It is foolhardy to postulate otherwise. It is more foolhardy to get up in this House and try to smear those who have been fundamentally responsible for our prosperity during the last two and a half decades - the corporations, and the businesses, who have created an abundance of work and opportunities for our people. They have been and still are real partners and builders of these islands these last 20 years.

It is dangerous for a Member of the Executive Council, just because he lost face on a policy decision which I will deal with in more detail later, to leave doubts in the minds of the world that there are corporations and businesses in these Islands who are pilfering the interest of Pension Schemes. If the Member for Health has such knowledge, then he needs to make it available so that something can be done about it properly. Businesses, with the cooperation of all previous Governments and of our people, gave us the necessary economic leadership, they gave employment, for hundreds, maybe thousands when shipping ceased. They built up our domestic economy and they helped to place these islands among the leading nations of the world. That Members need to learn as I learned, and let no Government forget that the growth of corporations, and the growth of businesses has meant the growth of Cayman.

There is a howling from that same Member of Executive Council about the pension money left with private enterprise. Let me underline an important facet of our economy which is not appreciated and perhaps not known, at least by him, and that is that funds allowed to stay in companies and funds allowed to work for corporate expansion have been basic contributors to our past strong economy because of their immediate efficiency.

When we look around this country there is an awareness by businesses of our increasing dependence (because of the type of industries we have), on high efficiency, which gives the economy assurance of our domestic trade success. And it of course, facilitates competitive bidding.

There is a price to pay for high productivity. More so in times of recession and more than at any time in the past, the Executive Council of this country must refrain from tampering with Capital belonging to companies. Capital which goes back into the economy through expansion, to help maintain a higher rate of employment, of guaranteed income to all Caymanians and thus an assured improved standard of living.

In times of recession, as we are going through and as we will continue to go through probably for the next year, taxation and other means of squeezing businesses to get revenue must not be done in a country like ours where, as I have said, cost is already a threat to everybody's competitive position.

The Executive Council has had serious effects and is already hurting businesses this year in a very major way, by taxation and their non-protectionist attitude. What would have happened I wonder, if the Pension Bill had been passed as the monstrosity it is and had taken another \$8 million out of the already hard hit economy? In an economy where there is hardly any hard cash and everyone is up to their necks in debt, much more havoc would have been raged because of what that Member was trying to do. This is no time to pressurize people and the next year, 1991, looks very dismal to me.

I heard the Member for Communications and Works mentioning very subtly about changes being made to ensure Stamp Duty is collected. I know what he was alluding to and perhaps there is some merit in a certain aspect where Government was shortchanged by sales being made and no notice given to Lands and Survey Department. However, this must be looked at carefully to see that the people less able to pay are not hurt, that is, those people who buy house lots on time. We have to be careful that we are not going to hurt our people again.

I must remind the Members of Executive Council, it was not the non-collection that caused the deficit in Stamp Revenues, it was the Members' policies which changed the rules midway by taxation. Now, land sales are charged a whopping 10 per cent by Government. That, coupled with other mistakes they made has slowed the sale of property in this country. That is what has brought the deficit in the collection of Stamp Revenues. So, because corporation planning must be made sometimes years in advance, it is essential that Government's policy on the coming rules of the game and their attitude with respect to taxation should be made known clearly today.

It is not strangulation policies which will get us out of this mess, no. We know that any policy which curtails business ventures, which inhibits businesses to make Capital investment will tend to increase inflation because it would help to create scarcity by making future expansion and production more difficult to realise. So strangling the businesses is hardly the positive way to go.

What the Government needs to do is to take the bull by the horn. The most effective way to save money for Government and to fight inflation is to cut Government's spending especially where it cannot be justified by sound practical sense and we have seen the absence of sound practical sense in this Budget. Stop the waste and simultaneously reduce our national debt!

In these Islands today there is basic ground for economic fear. Policies hostile to investment will frighten away capital that is needed. I said a while ago that there is an absence of practicality in the Budget and one good example is one small vote. It highlights Government's ability to do foolishness and that is the vote for \$270,000 for a Post Office in North Side. Why, Mr. President? Just because the Member for Health is the Elected Member for North Side and he is an Executive Councilor? Let us look at the practicality of the whole situation- the needs.

North Side has a population of some 800 people and we are going to build a Post Office for \$270,000 when West Bay has a population of over 5,000 people and we are building a Post Office for \$250,000 and in that Post Office we are going to have an MLA's Office and other necessities to effect the convenience of our people by paying fees and so on there. This is absolute nonsense!

Now, the Member is trying to get re-elected and he figures that this is going to help him, but all of the post offices in the world built in North Side will not elect that Member again. I have the interest in the North Side people at heart, I have very good support in that constituency and whatever they need, as I have done before, I will do so again and vote the money. But it has to be practical sense.

What we proposed to do is to vote \$100,000 for the North Side district and as we know, \$100,000 can build you a mighty big building. It can build a good post office and what I propose to do is what has already been done is to suggest that the present North Side Post Office, be turned into a district library, as I am trying to get done for West Bay. We are going to utilise the old one and we will certainly support them for an expansion of their postal services, but by God, you do not need over a quarter million dollars to do it, especially in times where Government has presented, as I said a stretch-to-fit Budget and trying to stretch the Revenue to fit their foolish expenditures.

I have already made the necessary contacts and wrote the letter about the suggestion to take the existing North Side Post Office and turn it into a district library. I have met with the librarian and I did not know that Government had a Consultant here for libraries, but they have one, and I took her to West Bay, met and discussed this with her. We are going to do the same thing for West Bay, unless the Member



for Education throws a monkey wrench into it.

He knows that has been a campaign issue, we have put it in our manifesto and I trust that he would not do with that what he did with me in regards to the Boards that they had me on then changed the rules midway just to take me off. Yet the Member says that it is time to put politics aside and I am glad to hear that he has reformed since that day.

We witnessed in the last few days what some Members of Executive Council thought was a brilliant economic exercise on their part, but one which really only serves to show the country why we are in such financial problems. We had the Member for Communications and Works who said that there is a \$9 million mistake in the Budget and we had the Member for Education saying, "No, it is a \$4 million mistake in the Budget". Then we had the Member for Communications and Works who said, "I put that Budget together!" "I worked on it". Who are they blaming, Mr. President? Who are they blaming for their brilliance?

We had the Member for Communications and Works who propagated the idea that it is good, fiscal and economic planning to get further in debt. It seems that they have forgotten what happened to those countries that took the policy of debt financing and got so far into debt that even the international lending agencies cannot pull them out of their mess. Have they forgotten that?

I doubt that the Member for Communications and Works has forgotten it because he is head and ears up to his neck with his arms around his people for \$1 million for an Agriculture Policy that these people know nothing about. And while we agreed with the expansion or the help in Agricultural Policy, I fail to see how some people can tell us when they have failed themselves. We on this side of the House will vote money for Farm Road Development. We will vote money to help farmers look at live stock situations and I believe that where we can, as we have done before in Finance Committee, must vote funds to help farmers when they are in problems.

I am not saying that the paper work produced by the Agricultural Consultants is not a good presentation. Anyone who went to college practically can write a good paper better than I could, but the soundness of it, the practicality of it giving our kind of country is what we have to consider and this Backbench have agreed to help the farmers. But, I am not going to vote money to compete with farmers and that is what Government is doing.

In that vote of some million dollars there is a hidden Recurrent Expenditure in that of \$306,000 for staff. Staff that he claims is short-term and the long term one, which as I said recurrent of their long-term. So what are these people talking about they are good managers?

As I said, they are borrowing for this Recurrent Expenditure. This is serious, Mr. President. The four Members over there are trying to make light of it, but one of these days if they continue going the way that they are going, the bank manager now might write a cheque and they are the bank managers because they control Finance Committee, they control the votes, so they write their own cheques. But one of these days the real bank manager is going to catch hold of them and say, "Mister you have written cheques for too long and you do not have any money to pay, or you cannot generate the ability to pay it. Therefore, you know what we have to do, we have to clamp you down. We are not going to let you write anymore cheques." This is serious, Mr. President.

We cannot spend that which we do not have and that is what got us into deficit this year - the reckless handling of our money by paying costly Consultants for services that could have been performed more inexpensively and more efficiently. The patrimony of our country is squandered on people like International Healthcare Corporation.

We warned the Government about the possibilities of waste; about the danger of doing businesses with these people who really had no experience in what they were doing and were charging astronomical fees to do it; and; we warned the country about the results of such mismanagement by the Government. Low and behold the deficit is part of the results.

There are certain votes in these Estimates which I have every good reason to believe will somehow get into the coffers of International Healthcare Corporation. We started out by giving them \$100,000 here and \$100,000 there which we know was not obtained openly and competitively. Hundreds and thousands of dollars of our money which we will never know the final cost and the economic clock of International Healthcare Corporation is still ticking.

Those are the people that came into my constituency and I shall never forget that night because it was the night of the day that we signed a Peace Accord, saying that we were going to work together for the betterment of the country. I shall never forget it as long as I live. The four of them came into my constituency and someone called them the Four Horsemen of the Apocalypse. I was not sitting on the front bench and the Member for Communications and Works was giving out the qualifications of each of the Members. He said, "Me I am an accountant. I can run the finances, Mckeeva cannot do it". He said the Member for Education can run Education because he had it for so many years, Mckeeva cannot do it. He said that the Member for Health can run the Health Services because he went to college and has a degree in Pharmacy, and he said that the Member for Tourism who perhaps is the most practical of them all, can handle Tourism because he has been long associated with it, Mckeeva cannot do it. With all of their degrees and all of their associations they are putting us into a mess and Mckeeva has not done it.

Yes, those bright people that went to college, went abroad to find out how to mess us up and are doing a very good job of it. I am glad for the little education that I have and one thing that they will never have over me is that I am a practical person, have good common sense, have been involved with the problems first hand and most of all have the interest of the people at heart. That is what this Backbench possess, although some possess college degrees.

As I said, with all of their degrees, associations and experience that they claim they have, there are appalling figures in this Budget. And I am appalled at certain figures for

building or construction. We have here figures for a classroom amounting to over \$100,000. This is a lot of money considering that classroom will, by the Government's own ratio, only take 25 children and one teacher. Are they the good managers?

In these Islands as I said, \$100,000 can build a large building, a large house. The country must certainly be concerned with how much political fat are in these construction projects. I am really concerned and the country needs to be satisfied without a shadow of doubt that the proper monitoring systems are in place to ensure that there is no political fat. What are they trying to do? Are they trying to build monuments to themselves, to say that I built this building? God help us with these economist on the Executive Council. We heard about 'Reagan-omics,' but now we have 'Benson-omics', 'Norman-omics', 'Linford-omics' and 'Ezzard-omics' and what a mess we have! They claim to be a conservative Government, but by God, they are so liberal that even the Liberals would condemn them.

This is a Government that will not listen. There is an \$18 million deficit this year so far, and as I said, the year has not ended. The cracks that we are experiencing today in our economy did not arise in January of this year over night. They surfaced as cracks in the structure of this Government when those in Executive Council said 'We must have our way regardless of whether someone is hurt or not.' The country is in a financial mess! We are headed for bankruptcy when so much expenditures occur and eat up the surplus for that year and then they raised the General Reserve another \$7 million to fund their expenditure. It is shocking! And these are the people who say that they are good managers? God help us!

They have termed our speeches gloom and doom because of the seriousness of our position caused by their bungling mismanagement and incompetence. It is sad, very sad indeed that what we are facing is mostly gloom because of their poor understanding of that which we have to work with, the Caymanian economy.

I said that Government is in a state of bankruptcy for the year as far as this year exists. For about eight weeks now Government has been telling its creditors not to bring in their bills, "Do not bring your bills in now. We cannot pay". This is the first time in our history that has happened. A few days ago including this week I had to try to get a load of marl for my constituents because of the poor conditions of the roads- roads which the Member for Communications and Works claimed that he spent money on and I will deal with that later. I have been informed by the Public Works Department that they cannot buy a load of marl, they do not have the money. If that does not mean that our finance is in the state of bankruptcy, then I do not know what it means.

Now as I said, the Members of Executive Council are very good at blaming somebody else for their problems. They are blaming everybody. They are blaming the Backbenchers, they are blaming Saddam Hussein, they are blaming everybody except themselves where the real problems lay. They have tried to lay the blame on the Backbench, a very ridiculous scenario, but they did it. They are trying to lay the blame on this Backbench for the deficit occurring. How they could come to that position I do not know, but one of the reasons that they gave was that we, the eight Members on this Backbench, last year in November took the Budget and tried to stop their mishandling of funds.

The Member for Education said that we will not say no to our constituents even though we will not help to raise taxes. He said that we cannot have our cake and eat it too. As I have already said, the country cannot take any more taxes and that is why we do not support it. He said, in saying that, that we had taken the money to build abattoirs, roads and boat ramps. That is a false story and the Member ought to know better than that.

The facts are there to prove to this country that he was not telling the truth. There have been no abattoirs built. There have been no roads done in West Bay that could take up that kind of deficit and there are no boat ramps built anywhere. They started improving on one in West Bay and they could not even finish that.

The position is this and these are the estimates for the year 1990, and let me say this because they have been throwing that around for a long time now, that we were concerned about building abattoirs, but not building hospitals. That is the phrase used by the pharmacist, the Member for Health.

Government ever since I have been elected, had this policy of an abattoir and every year they placed in the Estimates some \$700,000, that was the plan for an abattoir to put here in Central George Town. Can you imagine Mr. President! Do you know what an abattoir is?

Our people got down on us and said, no, we are not going to bring our livestock when we kill a little cow, to drag it all the way to George Town. The Executive Council Members themselves, when I was on their side, supported them and they supported me in saying, "Look, we are going to build small slaughter houses in our districts". But having said that they did nothing about it.

Last year we saw again a consultancy fee for \$43,492 and we said, "This is enough". Government had already agreed that they were not going to build any abattoir in central George Town, but yet they came back to get thousands of dollars so they could get a consultant because one of them wanted this abattoir. They could get this consultancy to tell them, "Yes, put the abattoir in George Town" and the eight Backbenchers said, "No, we are going to stick to the original agreement and we are going to build slaughter houses in our constituencies".

The figure for that was not anything that could build a hospital or a clinic, as they were trying to make people believe. A sum of \$200,000 was included in the Estimates for the six constituencies, giving each constituency a sum of \$33,333.33, a figure which we thought could thus be used for what we were trying to do in our constituencies. But what happened? That money was not used for those slaughter houses. Executive Council used it for whatever they wanted to use it for, so they are not telling the country the truth.

**MR. PRESIDENT:** Perhaps we might take a break there.

**MR. W. MCKEEVA BUSH:** I have one more point Mr. President, on that matter. What the Member for Education should have told the House and the country was that when this Backbench got together last year and took the money for the abattoir and the roads which they have not built, but found themselves in a deficit, we saved this country on last year's Budget over \$1 million. A savings of over \$1 million which they helped turn into a deficit. That is what the Member for Education should have told the country. One man sitting from Bodden Town said, tell the country the truth and the country is free.

**MR. PRESIDENT:** Proceedings are suspended for 15 minutes.

**AT 11:23 A.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 11:55 A.M.**

**MR. PRESIDENT:** Proceedings are resumed. The First Elected Member for West Bay, continuing.

**MR. W. MCKEEVA BUSH:** Mr. President, another effect on the people of these islands is the high cost of fuel. When the Government carelessly slapped all of us with taxes in July we on this side of the House warned them of the devastating effect these taxes would have on this country. The result is that the price of every conceivable commodity imported into these Islands has skyrocketed. The high cost of gasoline at the pumps is something terrible, but that is not the worst. The astronomical rise in electricity rates is something which is coming to the point of hurting the budget of even those with sizeable income.

I am very concerned for those who might have to pay an extra \$25 per month from pockets already strained from the escalating prices on essential items. The very poor in our communities cannot take anymore.

Last year I brought a Resolution to the House to institute a Public Utilities Commission. The Government, in their usual manner, got on their high horses and would have none of it. Instead they promised to put together a Committee which was supposed to serve as a watch dog on public utilities. I am asking the Executive Council, where are the results? If they have such a Committee, the Committee must not be doing its duty. I do not lay the blame entirely on Caribbean Utilities Company. That is a good company and all companies are profit motivated.

When the Executive Council recklessly hit Caribbean Utilities Company with an increase, knowing full well that Caribbean Utilities Company has a contract with Government which says they have a guaranteed right of 15 percent profit, what else did they expect but a steep rise in electrical bills? Executive Council knew this, yet they were not honest with our people or the country because they said, "Do not worry, these taxes will hurt no one". Even to the political support that they claim they have, are screaming about the high cost. Just another time when they have fooled the people.

I doubt that things in the Gulf will get better quickly and I have even greater doubts that even if hostilities are resolved early that we are going to be better served as far as local electrical bills are concerned. It is time for a meaningful dialogue between the Government and Caribbean Utilities Company. I suggest, given the circumstances today, that Government get together around the table to knock heads with Caribbean Utilities on these fuel prices. I am not here suggesting a fight between the two, that would serve no useful purpose. What I mean is for the two to come together and see whether there is some way of accommodating each other.

Electrical bills have as I said, increased dramatically with small consumers having in some instances a 20 per cent increase. I am talking about people that were paying in the region of \$25, who are now paying \$49 to \$50. People in my bracket have experienced as much as an \$80 to \$100 increase. This is alarming in recessionary time, when everybody is hard pinched. As I said, I recognize the problem that Caribbean Utilities has in that they have been hit hard too and they have been experiencing their problems from what I can hear. The Government, however, owes it to the people of this country to find some kind of a solution, some amount of relief in this fuel crisis.

The Member of Executive Council responsible for Communications and Works has announced the appointment of a new Committee to study the road problem in this country. From the correspondence that I have received I think the Committee will be well balanced. However, since we already have a Road Plan which has cost this country a lot in terms of dollars, should we not take the present Plan and extrapolate from it the most feasible section? Maybe we do not need costly consultants who will set up a burdensome bureaucracy to tell us what we already know. It is being proposed that we spend eight months consulting, we need some relief on the road from West Bay and the road from the eastern districts. Why should we spend all of next year consulting?

From what I can see of the proposed Committee members, there is a lot of talented people who know these Islands, people who probably can come up with a good common sense approach to our road problems. I am much reminded that the present Master Ground Transportation Plan has cost this country in the region of half million dollars and the people when they found out the extent of the cost which was being proposed by the Plan, rejected that Plan. There is already in the Budget a proposed \$300,000 for new Consultants for this Road Plan. We are in a recession, and we had better try to save money.

I propose to send my name forward to be a member of that Committee because I have a responsibility to the people of these Islands. The traffic problems really affect my

constituency and I have received letters from them complaining about the back-up of traffic in the mornings.

I have observed the situation and when I look at the traffic coming out of Eastern Avenue on to the Seven Mile Beach Road, at most times you cannot find five vehicles backed up on Eastern Avenue, while traffic has slowed on West Bay Road down to the Governor's residence. This is ridiculous! The traffic light on the junction of Eastern Avenue and West Bay Road causes a major problem and at the very least it could be put on a blinking caution.

Very early last year the Government spent vast sums of money putting in virtually another lane from the George Town city limits extending close to the Holiday Inn. It seems to me that if the Government wants to alleviate, traffic congestion as they claim, then why did they not attempt to utilize that space?

As good as Public Works can use the yellow and white road paint, it seems that a third lane could have been experimented with, coupled with the help of a few traffic cops. The cost of that experiment would have been negligible. Sadly nothing was done all of last year and this year nothing much was done except that Government as I understand it, blocked a dyke road down off the Seven Mile Beach Road which was being used in times of heavy traffic. In a whole year nothing was done except for that road being blocked and the traffic lights on the Eastern Avenue junction slowed to where it is unbearable.

Personally I believe that all of this was done to highlight the need for the Master Ground Transportation Plan, to get the public mad at us. However, that too has backfired.

It was the public who said no to the Master Ground Transportation Plan and it was the public who reinforced my vote against the expenditure for the Jennett-T. Mr. President, that too shows bad management because there was an outlet off the Jennett-T in the region of Caledonian House, the new building coming on to Mary Street from the Jennett-T (Jennett Street).

What has happened is that certain people bought certain lands around the Jennett-T and found themselves in a spot when we as the majority Backbench, the eight of us, said no. We want to solve traffic problems in this country as much as the Executive Councillors, but it must be done right. When they came up with the scheme they did a lot of damage to certain businesses off Eastern Avenue which were ready to be sold. (I am talking about the Jennett-T) When the people found out that new road was going through their property, the sales collapsed. Government as it has proven with the deficit, does not have a bottomless pit of money.

In regards to the West Bay Road and to that third lane that was put in there, the time has come to prohibit cars from parking along the shoulders of the Seven Mile Beach strip. That is a traffic hazard. As I said, Government do not have the money. Let us try to cope with what we do have. We do not believe in taxation. Let us utilize that West Bay Road as much as possible, let us try as I said, experimenting with a third lane there, the cost would be negligible.

I am hoping that we can soon get this proposed Committee together, but the Member for Communications and Works wants to find a solution to our traffic woes. I trust that the proposal, however, will not be like the other Committees of Government, some of which have done nothing for this past year due to the non-attendance by the Members of Executive Council.

The other day the Members of Executive Council were blaming this Backbench for the mishandling of the affairs of the country. In trying to defend their deficit, one Member of Executive Council said, that the Backbench were told that the draw-down would be necessary on the Reserve funds. That has been twisted around. What happened during the debate surrounding the salary increase and the new taxes, some on the Backbench said that the money could have been taken from Surplus. Executive Council simply said, "No". The whole question however, of taking funds from the Surplus at the time to pay the salary increase was based on the fact that had the Executive Council taken our advise on the amount of the increase given, things might not have been as bad as it is today in regards to the deficit and the economy.

The House must remember that it was this Backbench which made the suggestion of a 15 per cent salary increase across the board, which meant from the bottom clerk to the top man in the Civil Service. A 15 per cent salary increase across the board be given to the Civil service, instead of a whopping 23.6 per cent at the highest level, which this country could not afford. We on the Backbench said when this matter came up that it was ill timed, but what they did was to tie in the MLA's salary increase with the Civil Service increase and it was voted on.

It must be very obvious to the country why they would not take our advise. They would not take the advice of this Backbench, nor would they take the advice of the two associations appointed by the Civil Service to take care of such matters in the Civil Service, like salary increase and other benefits. There are two Associations, the Management Associations and the Civil Service Association who told the Executive Council, "We will take a lower increase". I believe it was in the region of 15 per cent and the balance over a period of time, but Executive Council said, "No, we need a 23.6 percent increase and we are going to get it".

Now, a 15 per cent salary increase would have cost the country between \$5 and \$6 million instead of the \$10 million. The result of that would have been that the deficit would then have been \$11 or \$12 million.

The Member for Tourism, I believe who was dealing with that and the Member for Education or the entire Executive Council cannot blame the Backbench for their mismanagement. The deficit is their making. They simply would not listen to reasons.

I am not going to spend much time on Tourism. They have begun local promotion and I believe that is a good move. As I said, I am not going to delve into it. I usually do, but there are other Members on this side who have dealt with the matter of Tourism. I just want to say that I support the entire proposal, but there is one small vote there which provides for live traditional entertainment which will help

to give a warmer Caymanian welcome to cruise ship tourists at the dock. Perhaps this also needs to be done at the Airport. For six years now I have been talking about that sort of entertainment in those places and finally it is done. This is good. Tourism is a vital sector in our economy which we need to continue enhancing.

I wish now to turn to the Portfolio of Health and Social Services, which as I said, I shadow. I should say, that when the change of Government comes, we propose to change that Portfolio to include Youth and Sports, which will then become the Portfolio of Youth and Community Development.

This Portfolio is a very vital one in the development of the country because it has to do with ensuring a better quality of life. It will carry the Social Services Sports and Youth Service and as I said, community development. We will work closely with the Portfolio of Education and Culture of which my colleague the First Member for Bodden Town is doing a very good job as a Shadow Member. The Portfolio for Health and Social Services is an important Portfolio, but because of misplaced priorities there are many bells clanging and wings flapping, but the results are few indeed.

As I listened intently to the Member responsible for Health, and Social Services when he addressed the House on this Budget, I was hoping to hear from him of some favourable results of the Portfolio, but instead he chose to take that time to try to blame the Backbench for the Executive Council's mistakes and poor results.

I was hoping that Member would have been in his seat, but in his tirade on the Chamber of Commerce and the businesses of this country, he promised to stir up the people to demand a pension from management. What was most disturbing about his speech was his announcement that he intends to do nothing more about pensions, but to leave it for whoever takes the Portfolio after him.

First of all it was the people of this land who rejected his Pension Plan and they rejected it because it was not sound. It was not logical and it was not consistent with practical reason. The Pension Plan called for a population of 130,000 people in a certain given time. The same time that Government issued a policy on the outnumbering of indigenous Caymanians and in the same breath the Members was taking credit for the slow down in growth.

Is this practical Mr. President? Is this consistent with logic? As for him stirring up anyone, he is not capable. Nobody is listening to him and even that statement is not consistent with reality.

The Member has accused me of playing politics with the Pension Scheme. He said, we were looking for political mileage. According to the polls I am in very good standing as far as politics is concerned. Any day that they ring the bell I will take up the challenge. Let me tell this country that Member does not love the people of this country anymore than I do, but I have to be sensible. The people from all walks of life said we do not want the plan that the Government is proposing. I held public meetings, I went out in the highways and the byways, talked to those who had to make the contributions and they said, "Sure we want a Pension Plan, but not what the Government is offering".

I was asked by the people whether I could guarantee them that their money would not be used by the Government for the Master Ground Transportation Plan and other things and I had to tell the truth that I believe why the Government was rushing the scheme was because they were in need of cash.

With a deficit of \$18 million today we can see the need the Government would have for a fund with hard cash and the people were right in rejecting that Pension Scheme. If this Government get their hands on that kind of cash fund with their present rate of mismanagement maintained, there would be no money to pay pensions.

The Member tried to lay the blame on me, but he must blame his own colleagues in Executive Council as well because they had the good sense to listen to the heart beat of the people. The Member for Communications and Works knew that he had opposed the Plan from way back, and he guaranteed that nothing would be done against the people's wishes.

As I understand it, there was a big fight in Executive Council about this whole Pension Scheme, but if there ever was a good fight that was one because all that resulted is the scheme being pushed back. Of course the Member would try to blame me because he knows that I am going to take over from him.

We, however, cannot take the attitude that the Member has of doing nothing. He is supposed to act, his attitude is an abrogation of his constitutional responsibility, but it seems that his actions serve to highlight the problem with Government why there are very few results. They cannot take constructive criticism. They have their eye set on something and the blinders are on. No matter what constructive criticism they get or ideas they get, it is thrown out. This is one time that Member was handled properly and I am glad we did it.

I want to announce to this House that I am setting up a committee consisting of management and employees from all levels, which will ensure the man on the street representation as well as self-employed persons, and which will include hopefully, a Member or two from this House.

The purpose of the committee will be to review the Pensions Bill and to make recommendations on the matter of pensions. The committee will also be charged for providing a Private Bill to be brought to this Honourable House by myself to mandate pensions for all workers in these Islands and to establish minimum standards of pensions in the country. The Private Bill will also establish an Inspectorate which will approve Pension Plans and the monitoring of such, to ensure compliance. In other words, Government will not run the scheme but will be the overseer with a firm hand, as the regulator.

I am hoping that by June or September of 1991, God willing, earlier if possible, I will be able to move that Private Bill. The Member has said he has washed his hands of the

matter of pensions. I have a responsibility to my people and I will ensure that those in need of pensions will have one without doing any damage to our present economic structure by extracting large amounts of money from it and without misleading the people or whipping them up. When the Member takes umbrage to losing a policy decision and puts it in that kind of context, it serves to show the country how irresponsible a Member of Government we have and just why they have lost us as their Backbench support.

We want the Pension Bill, that Committee will look at the vesting of pensions rights, to reduce excessively long vesting periods to bring it down as close to immediate vesting as is practicable. We realize for example, in the United Kingdom vesting has been reduced to a maximum of two years.

The Member for Social Services said, as quoted in the paper, that if a Pension Plan is not provided, he warned that income tax would eventually be needed to pay \$10 to \$15 million for Social Welfare. The Member must mature. He gave the wrong impression that the Pension Plan was going to solve our welfare problems. Pension and welfare are two completely separate issues. It is like trying to mix lime juice and milk, both destroy each other and this is the example that we have in the United States and in the United Kingdom where they have been trying to back out of it. Other countries have gotten into problems by it. Barbados for instance, the example that they were using has an 18 per cent, I believe, contribution because all sorts of things have been added to it. Pensions and welfare are separate.

I looked at the welfare situation in this country and truly, welfare needs some looking at. I would handle the welfare rolls differently. There needs to be no threat of income tax. God help us if we ever go that route. That is why we are going to get rid of these irresponsible people as soon as the Governor calls an election. I would handle the welfare rolls by examining the real situation with those people on the welfare rolls. We know that the situation needs to be taken care of because some people get \$30, some get \$50 and some get \$25 per month. That can hardly do anything, but we do not need to introduce income tax to take care of that situation.

After examining the true position of the welfare situation, the welfare rolls need a fund out of General Revenues stipulated for that specific purpose. We know that we have for instance, old people who probably have not worked in their life and are probably getting a few dollars per month and we will always have them, but the rule must be not to give them a fish but to give them a line. Those people who are riding around on a bicycle in George Town campaigning against the Backbench, their whole family is on the welfare roll. That is the kind of weeding out that we need to do and probably if more of that was done, those that are getting \$25 and \$30 might be able to get \$100.

If the entire Executive Council was concerned about our people who really need assistance, they would go about changing that aspect now. They do not need God to come down and tell them to do so. It is blatant, they can see it. It is right in front of them. They need to look at the situations and I will give the House an example in just a few minutes but they need to look at some of those people who have done well for this country, but today are receiving \$5 a day for food. They have to come from West Bay to get it.

I can give you one example, say what you like about the situation, but we have one Nathan Ebanks who served this country as a Police Officer and he got damaged while being a Police Officer, and what happened? He is in that situation. Those are the kind of cases that we need to look at.

The other wrong impression that the Member for Health gave was that the Pension Bill contained a section to give people on the welfare roll a better pension. Nothing could be further from the truth. It contains nothing for that. I do not know who he is going to whip up. The people do not want to see him.

I am hoping and I believe that the day is drawing near when I will have more say in the social aspect of this country, when I can effect programs to help people. That is not too far away and I am waiting with anticipation.

Another department that I would like to speak on other than the Social Service Department is the Environmental Health area. I believe that they are doing a fair job, these people working on the garbage trucks and so on perform a vital service, but they rarely come up for favorable mention. Generally that department is doing good. There are a few areas in the Environmental Health Section however, which need serious looking into since it has to do with a potential health risk.

From investigations I have made and from complaints coming to me, George Town is in very serious need of a proper sewerage disposal system. If one were to check for instance, the harbour area, you will find signs of sewerage seeping in the harbour. I have been made to understand that complaints have been made to the Member. This situation, is worsening and needs immediate attention. These are the kind of projects which the Member should be spending his time on.

I am aware of a Study done in 1987 which cost Government in the region of \$300,000. In that study Consultants highlighted the urgent need for a sewerage system for George Town, but the Member then did nothing and the Member now has also done nothing. The sewerage is contaminating the ground water. Now having the piped water will lessen the chances of sickness by people not having to drink ground water anymore.

However, there is still a lot of human contact with the ground water in George Town and it has direct contamination. We know it! We know too that the sewerage which is seeping into the ocean in George Town is causing problems not only with people bathing, but also it is having an effect on the marine life, the eatable fishes and so on.

The George Town district needs a sewerage system quickly. There is presently in existence a tremendous potential risk to the health of residents of George Town because of poor or unsuitable disposal of water coming from bathrooms and kitchens, all of which is untreated. I am calling on the Member to come off of his high horse and do something about that situation.

I will leave that particular area, but I am calling on the Member to do something.

A few days ago I had good reasons to ask a question in this House concerning what precautions have been taken locally since the outbreak of typhoid in Jamaica. The Member in his answer said that a fax sheet had been given to Travel Agencies and Airlines, and that water samples were collected. This is simply not good enough. The fact is that we have a lot of travellers from the affected country of not only typhoid fever, but there are many travellers from the country who are suffering with malaria. There is even an increase of cases here. I suggest that there are precautions which need to be taken at the Airport, where a Health Personnel Officer should be located to review travellers from endemic diseased countries, especially this time where we know of the malaria cases and we know of the typhoid cases.

For instance a worker in a restaurant here travelling to one of those countries, how can Customs Officials cope with it? This is a potential time bomb. The whole issue of these people coming here unchecked has serious ramifications for the maintenance or control of good health in these Islands. We need action. This is no time for him to talk about that he is going to leave it for the person that comes after him.

That is why they raised their salaries. They are getting a better salary now, let us get action. Let us do something about these cases, as I have said, we need somebody at the Airport. We have flights everyday, every week from Honduras and Jamaica. We need to do something about that situation. There was quite a bit said about a new hospital by the Member for Health.

Are we going to take a break now or should I continue? I am going on to a new area.

**MR. PRESIDENT:**  
suspended until quarter past two.

Fine, in that case we will take a break. Proceedings are

#### AT 12:48 P.M. THE HOUSE SUSPENDED

#### HOUSE RESUMED AT 2:22 P.M.

**MR. PRESIDENT:**  
Bay, continuing.

Proceedings are resumed. The First Elected Member for West

**MR. W. MCKEEVA BUSH:**  
about to deal with the wild allegations made by the Member of Health. There was quite a bit said by the Member for Health about a new hospital. He has constantly tried to lay blame on this Backbench for what he claims were stumbling blocks.

As usual he made some wild allegations about the Backbench saying that the hospital could be re-painted. He said that had there not been so much opposition, by this time construction bids could have been put out to tender. I wonder what he was going to build the hospital with? He did not tell the House that.

We on this side are very concerned about the manner in which the Member for Health attempted to give \$1 million to International Health Care Corporation (IHC) last year. We asked him to explain the \$1 million, but he could not. The Member went ahead in the course of 1989 and very recklessly spent hundreds of thousands of dollars with a company who had no such experience, although they had put together a book about our healthcare needs.

The kind of approach that is embodied in that document, if used, will result in continued chaos in the Health Services and contrary to what the Member said, they did propose a split site hospital. Although he said it was ludicrous, that is what their proposal amounts to. The Government doctors and the private doctors in this country denounced their proposal as being insane, unless we had large sums of money to fund the duplication, as that is what would have happened with the split site system he is proposing.

The Member for Health expected this Backbench to authorize \$1 million on recommendations based on conclusions drawn for which there is no support in the document. He expected us to authorize \$1 million on recommendations based on conclusions drawn for which there is no support in the book as prepared by IHC. From the beginning of the project there was a foregone conclusion by IHC that a split site system is needed and that there should be a new site for the construction of a new hospital facility. I believe those conclusions came about at the beginning because they were told this by the Portfolio.

In this Plan there was no overall hospitalization utilization data presented to indicate average occupancy rates overall and by service. Thus the determination of number and service needs for beds could not have been properly made. Yet he expected us to give him \$1 million just because he said so. No foundation was given to support their assumption that increasing percentages of birth will occur inside the country.

Another concern of ours at the time last year and is today, is the issue of in-patient versus the ambulatory setting. For the services we need they did not say what is the most cost effective means of providing it or what is the optimum means of providing the highest quality services or the proper balance of these.

In that document there are many deficiencies in regard to the issues that I just mentioned. For instance, there is no analysis of physician preference provided. Also, when he came to us for \$1 million with no information except that book we had to take into consideration the competitive

environment in the Islands. The answers which we needed for us to make a sound decision were not there and he could not provide them. We had to give consideration to whether the Government would be the sole provider of total healthcare requirements of the public or whether the private sector would be the sole provider; or should there be a combination and if so, what would be the appropriate mix of services provided by both entities.

According to the Member he had his mind made up, the Government should do everything and IHC be their backup. But in the book from IHC there was nothing to help us determine the services that the Government desires to provide us with or what services the Government is capable of providing. There are no analyses of alternative providers, market shares and cost by services. As I said there are many deficiencies in the book which he has taken as his Bible.

In that book there are no considerations given to the potential impact of a private hospital; no consideration to the volumes and mixes of the private clinics in the Islands. What was he going to do with them? Shut them down! There is no justification for the assumption that the Islands' patients preference for overseas medical care will decline and he has done nothing to generate confidence in the hospital here. He himself went on a tirade throughout this country about the bad services in the hospital. It was not until we stopped him in his tracts that he realized what he was doing and then he sought to get the staff on his side by twisting the issue around.

As I said, the book for IHC which the Member is using as a guide was then and is now very deficient in providing us, the Backbench, with the relevant information; yet we, as a Backbench responsible for voting money, were being asked to give the Member a whole million dollars. As I said, the economic clock is still ticking. I am very committed to giving our people quality healthcare, but we feel that we must be practical and the Member cannot be practical because IHC has their eyes on those lucrative contracts, and the more money they advise us to spend, the more money they will collect.

As I said, the Health Service falls to me as a shadow and I am committed to a good cost effective facility. We feel and it would be our policy that we need to remove the Mosquito Research Unit buildings and take them away completely from the Hospital site. We need to utilize that space for a new facility.

I cannot support the \$1 million for Consultancy in the Budget. The plan that IHC has for this country will put us further into a bankrupt position, with over-runs, professional fees, equipment, site work, plans and all of the other things that IHC will throw in and charge to us as they have done in the past. We will never finish paying for this building that they are proposing. We cannot continue doing business with IHC and the facts are there to back us up. We should get rid of IHC.

Let me say this in case the Government is trying to bring them in through the back door by giving this business to some firm and they not do the work. It cannot work, it will result in the same thing that happened in the other contracts. We must rid ourselves of the leech called IHC. The facts are there in volumes to back us up. We believe, we can have a turn-key operation for less than half of what IHC is proposing. As I said with their over-runs and everything else that they will throw in, you can bet that by the time we finish with their proposal, we would have spent over \$40 million.

We are committed to a kind of prudent financial control that the country needs and I feel that I can give the people of these Island good healthcare for less money, if the Member would now take our advice and shed himself of the International Healthcare cloak. We can get good health services for less money, but will not get it with them.

Mr. President, I turn now to the Social Services Department itself. Government has proclaimed that they are experts and the best people to run the healthcare, the best people to run the finances, the best people to run the education, but when we look at the Budget of this country which contains some \$2,106,198 for Consultancy, we have to ask them where is their expertise?

In this Budget there is a Sports Consultancy for \$20,000. Do you mean that the Member cannot figure what is needed? In the Consultancy vote again for George Town and Faith Hospital are programs for \$170,000 in addition to the \$1 million for the Hospital Design Works and in that \$170,000 there is a Consultancy for a 15 year Social Services Plan. When are these people going to be realistic? Every time you turn around they are bringing a Consultant here. Why? If they are the experts and they are the people to run these Services, should they not be able to say what is needed and how it is to be done?

There is a Consultancy in New Services, another Consultant in the Administration of Education, Environmental and Recreation for \$26,170. In New Services again \$50,000 for the Administration of Health and Social Services. Health and Social Services have more Consultants than probably the whole Government put together. It is ridiculous, the kind of money that we are spending on consultancy! When they get the consultants, like the consultants for the George Town Sewerage, it is thrown on the back burner because the consultants sometimes do not tell them what they want to hear. They tell the consultants what they want done. It is ridiculous!

Is it any wonder that we are facing the kind of financial mess we are? So the Social Services has a Consultancy or is going to get a consultant for a 15-year Plan for Social Services. While I believe in long term planning, is this practical? In a country like ours what is needed more than anything else is for us to reach out to our people with what programmes we now provide. To reach them at the district level, surely we do not need a consultant to tell us about Child Development; surely we do not need a consultant to tell us about parenthood? What is needed is for us to decentralize our programmes; we need to take some of the programmes that we have now and put them in the districts where the people can be reached.

The Member spent some \$18,000 on a conference here some weeks back and in talking and listening to some of those people they agreed what is needed is to get at the root of the matter; Hit the problems where the problems exist. You cannot centralize every programme and expect to stop social deterioration.



Surely, the Counselling Service is a good thing, but how much effect has it being stuck up in the Crighton Building? That poor man, Mr. Bob Jones is doing a fantastic job, but he is worked to death. Do they need a Consultant to come in and show them that they need assistance? No, they do not and God help us if it is International Healthcare Corporation. We will never stop paying.

One of the things that can affect positively what is happening socially in our districts is for the Member to take my suggestion for Community Centres, the programmes that I have put together and utilize our present facilities in the district as this programme suggests. He does not need to involve me in it, but he should take this and look at it objectively.

When we look at this programme which is not asking Government to do everything, but just to give it the proper management, how much would that have cost? \$30,000, because this programme calls for voluntary assistance and I believe that is the way to go. This calls for a programme of better parenting and what else do we need more than anything else today in this country than to make parents aware of their responsibility?

The better parenting programme which included structure and function, social and moral considerations, values and priorities inter-personal relationships, problem solving and decision making, effective disciplining, consumer education, budget planning, self help and alternatives. This is something that can help us. This can stop because this is prevention, (social deterioration) not the patch work cure that is going on now, not the crisis management that is going on now, not the reaction policies that is going on now.

The Member needs to do something at a district level and he needs to listen if he is going to bring people here on Conferences. Listen to them and if he does not want to listen, go to that country and look at how they have decentralized.

That is one programme that is needed but I cannot do it all and there has to be an input from Government. The Member has had that programme for months, he is not going to do anything about it, unless they can fix it so that it is so taken out of context that it does not mean anything. This is what they usually do when they get a good idea, rather than try to give you credit, they take it and it is prostituted to the extent that it means nothing. I have seen that!

This Community Centre is a means by which the necessary training ground for up-to-date knowledge on parenthood could be provided. Through workshops there could be a means from which parents who cannot understand their children, the problems which their teenagers encounter in their growth, development and needs, could communicate with them. This is the kind of programme that is being suggested in the West Bay Community Centre.

We have a problem today where all parents are employed, times when most families have television and children are left to the mercy of televisions to baby sit them, which in my opinion, in its present state in this country is not altogether good for the young plastic minds of our young people. Most families are not recognizing the bad effects of unbridled television.

You need to educate them, but we need to do it where we can reach them. They are not going to come up to the Tower Building, they are not going to come up to the Crighton Building. Mr. President, he is talking about a Consultancy. We do not know how much this will cost, he has not said, but we know there is a figure for \$170,000 there.

This programme which has a programme for peer assistance, after school care and craft classes. That after school care is what I was driving at just now when I was talking about the unbridled television. The purpose of this Community Centre, is to help establish a strong and a well directed community. This has to be done at a district level, but is the Member listening? Is he going to take any action? No, a Consultant has not told him so.

I am not saying that my proposal for the Community Centre and the programmes connected to it are the cure all. I am not saying that. However, if we look at the programme constructively we can see the needs and the benefits that could accrue to our communities because I believe it would help to improve attitudes and discipline in our communities.

When we take our incidences of teenage pregnancies, it highlights the need for systematic programmes that could be developed to disseminate knowledge, since they are doing nothing to stop those pre-teenage pregnancies. They could do something to help the art of parenting. We are not asking for \$1 million. I am not even asking for New Services because he has the staff available, if he agrees to decentralize. So they cannot say that I am asking to put any new expenditure on them.

The Member needs to change his attitude. That is a hard job, a tall order, but it needs to be done especially when we are dealing with something as important as the social deterioration that exists. We are saying for our Social Services to have effect, there must be a Scheme of decentralization. With Government support staff there could be, I am sure, a strong corps of voluntary assistance of those members in our communities who are eager to do something, but need some supervision and someone with some organizational ability. I doubt that paying large sums of money for Consultants is going to cure the social ills which are effecting the true quality of life in our communities. We have paid a high price for Consultants, let us get our Social Workers in the districts. Let them go around to the bars and on the street corners and in those yard where our young girls are hanging out.

Back in 1986 the Second Elected Member for Boddan Town and I moved a Motion in Finance Committee which was accepted to place Social Workers in the districts. Where else should they be? How else are they going to know what are the problems? Our social problems are only getting surface treatment. Has crack use dropped? I see there are still no funds to build a remand home as yet. The Member has been backward and forward with this. Sometimes he supports it and sometimes he does not, and there seems to be no commitment on the part of Government also to provide for mental cases in these islands,

except for locking them away at Northward. We have five cases at Northward. One has been there for four years. This is ridiculous! Must we wait until we can get a new hospital building and use the old hospital compound for a mental lockup? Ridiculous! While he is fiddling, Rome is burning.

We are wasting large amounts of money on consultancies and other projects that have no real value to this country, but the Member is failing in his duty to safeguard these mental cases. We are sick of complaining to him and to the Portfolios about what is happening here.

Recently at Northward Prison there was a rape case of a very young boy. This is a scandal in our so-called affluent country. There should be a treatment and evaluation process of these mental cases to ensure that their sexual urges are suppressed. Why is this not being done? They do not spend the time that they need to spend on these sort of things; there are too many trips abroad, there are too many trips fishing and playing sweet life. Yet they have raised their salaries 23.6 per cent and we are still having these kind of problems to deal with in this day and age.

There is still no Drug Rehabilitation Centre, the Member prefers to wipe out a whole generation. There are 185 inmates at the Northward Prison. We should not be surprised to hear that a large percentage is for actual drug use and a large percentage is for drug related crimes because the policies of the present Executive Council are doing nothing to address in a meaningful manner, as I said, in the areas where they can reach these people. Pure surface treatment; band-aids effects, send a few up to Hazelden and that is a good job. I thank God, that a few can go there, but if he had his policies and priorities right - the preventative side of it - we would not have so many cases.

I tell you that a half has not been told when it comes to the type of social problems that are existing in this country. What really hurts me is that the programme that can effect positive changes do not need a \$1 million. We need to utilize what we now have. We do not need a large concrete structure. We need to utilize the present buildings in our constituencies. There is rape in the Prison, but the Member cannot get the programme of proper treatment of these cases in proper surroundings. Yet you hear about Government funds being used to buy Margaritas? It is a scandal Sir!

The Police Report in terms of apprehension is not that bad. We hear of this glowing Police Report, but when we check into the real situation, the amount of offenders are increasing and the rationale behind my statement is, if the conviction ratio is high which means people are being sent to prison, and every month there are more burglaries for instance, that very sadly and alarmingly means that there are new offenders every month. It cannot be interpreted otherwise. If the Police catch them and put them in prison, and the crimes are being committed, there has got to be new ones.

We need no consultants, we need genuine effort, genuine willingness to effect positive changes. Everywhere you go, you hear about a consultant and a plan. It reminds me of a man in West Bay who was building a small house without having Planning permission. The Planning Authorities came down and said to the man, "You cannot do this, you need a plan." The man answered and said, "A plan? I need a house. I have had a plan for years". I say to the Member for Health and Social Services, we do not need a plan, we need action at the district level where our young people can be reached in their environment; where the problems can be identified; the amount of the problems can be identified and not only the amount, but the different kinds of problems can be identified. Is the Member listening? I doubt it.

We have had plans and we have had consultancies and the social problems continue to rise. There is a great need for emphasis on improving the quality of life for our citizens and our young people. Yes, I accept some things are being done, but for a better quality of life, this requires re-orientation and re-organization of our systems which have failed to meet the real problems of the majority. There is constant evolving of schemes which have no relevance to our problems here in this country. Much publicity, as I said, and like the Member likes to put it, "many wings flapping and getting no where". Just a treatment of the symptoms and signs of the problem, a band-aid approach. What I am seeking is major emphasis on the prevention. We want a community development which is geared to family education, parental education and so on.

We have heard recently that the Member claims, he will get ten children to be put in Foster Homes. These ten children we know about, but what is happening to the invisible majority who are not being helped? Parents, yes, are physically present, but because of social and economic situations, they do not get full benefit of the input of the parents. They are also orphans in a sense and nothing is done for them. When I have to visit Northward, and I am one who believes that we should not make the Prison a palace, but when I go there it pains my heart - not the conditions, but when I see so many young people in Northward, I have to wonder what is happening to this country.

I know that no amount of talking on my part is going to change the Member for Health. We will simply have to wait until the public removes him from office and we can effect those changes that are needed to reach people at a district level which can effect positive programmes.

I want to look for a minute at sports. The Member who is responsible for sports, the Member for Education said the vote for sports reflect Government's belt tightening exercise. I wish he had done that with some of the other expenditures, but sports need more than money. Their misplaced priorities and bungling is costing the country too much money over the years. We need and I have always advocated that if Government is going to give money to sporting organizations, Government should become involved in a management interaction so that more accountability can be given of funds. By such involvement, perhaps we will have less duplication. I believe that Government needs to be involved in those sporting bodies, but sports is plodding along according to the Member and I have to wonder where is the commitment from that side? I \$25,000 for a set of bathrooms for the new West Bay Playing Field. This field has a long history.

First of all, when I attempted to get the money for that, I had to fight for the initial sums and it was the Financial Secretary who helped me received the first \$70,000 to start that

programme. Afterwards, the Member for Education got involved in it and we started to get more funds and a commitment was given, but we had a plan for that facility.

They have taken that plan and they have put it so that it has no relevance to the original plan. We had a small multi-purpose building that would have served not only the football field, but in the development across from that, in the years to come. This building was going to have changing rooms, bathrooms facilities and so on. That was supposed to be a model area; a model for the other districts and once we had completed that, systematically we would have gone to the other districts and tried to do something like that, even if on a lesser scale according to the needs of that particular district. Now they are going to build two or three little toilet blocks.

They have scrapped the original plans and we have seen the wasting of money like that before. West Bay had that before and it went to destruction. I cannot agree with this, it is a waste of money and when foreign people come here and tell us about the things we are doing are wrong, you get up in the House and you are insulting. I agree that some of those places that these coaches come from their standard of living might not be as good, but when you check on their sports they are up there and we could do well to learn from them.

The Member should stick to the plan that we had, rather than attempting to distort it so that it has no meaning for the needs in the district and that is what they are doing. When I spoke a while ago about commitment, there needs to be a commitment by the Executive Council and the Member responsible. You do not have the Head of CONCACAF coming here to meet with the Member, he makes an appointment and the Member does not show up or the man coming from Italy stopping through here especially to deal and talk with them on the development of sports, he makes an appointment and the Member does not show up, what happens? Tell me what happened?

**HON. BENSON O. EBANKS:** Mr. President, I neither made an appointment with anyone nor did anyone make an appointment with me. I returned home around 7 o'clock and telephones calls had been coming to my house starting around 6:00 P.M.. When I eventually contacted the people who were trying to get me, I was told that the gentleman had gone back on the plane. I had no previous knowledge that he was coming.

**MR. PRESIDENT:** After that rather unusual exchange because normally clarifications go the other way, I think that we will suspend proceedings for 15 minutes.

**MR. W. MCKEEVA BUSH:** All right.

**AT 3:21 P.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 3:48 P.M.**

**MR. PRESIDENT:** Proceedings are resumed. The First Elected Member for West Bay, continuing.

**MR. W. MCKEEVA BUSH:** Mr. President, I thank the Member for Education for his explanation. He, however, redeemed himself by an explanation he gave after the break, by saying that there was a letter which he did not get, but I will leave it at that. I would end on this section by saying, it is not so much the need for money, but priorities in regards to sports. Priorities need to be looked at.

I want to turn now to my constituency.

In some areas, West Bay has been neglected, and I believe that the position that Executive Council took, was to do as little as possible in West Bay. In fact, last year after we had reallocated some funds to our constituencies, Members of Executive Council said, "you might take the money, but you are not going to get any work done". That was the remark made. So, it did not surprise me that there has been no work in West Bay, in comparison to what should have taken place.

The road conditions there are not good. Last year we voted \$550,000 for roads - the most money the district ever had. They did not do what they should have. The situation in West Bay highlights the fact of the whole Government position; the fact that they were taking road money to fix drains when that should have come from another vote that they had not budgeted.

The other day a question was posed in the House by my colleague, The Third Member for West Bay. In that answer to the question, the Member said that 18 roads were completed. However, when we dug into the matter, we found out that really there were no 18 roads completed. What had been done were drain projects.

Earlier in the year the Member for Education, and The Third Member for West Bay and myself, we sat down and we agreed on 30 roads that were needed, and that could have been fixed by the amount of money that we voted. Out of the 30 roads that we agreed on, only four roads have been completed.

The Member gave the answer that one, Graham Ebanks Road was completed this year when in fact that road was completed in 1988. From 1988 that road was fixed. We were fed wrong information and we cannot find out yet where the money is going.

Four roads out of 30 have been completed and only three roads have had marl repairs. There are very bad areas that need roads, I am not talking about just road repairs but I am talking about actual roads, in some areas there are no roads - no car can get to it, no fire truck, no ambulance, no police car can survey the area, although houses exist in the areas.

Buddy Parson's Road for instance, which the Member gave as Captain Shelby's Road, but that road is really known as Buddy Parson's Road, that was the note that we gave to Public Works Department. Buddy Parson's Road in the Birch Tree Hill area, for instance, was to have been built. This was agreed on, but nothing has been done except excuses that they have put the money into drains. The money went down the drain.

One Austry Powery Road is in the same situation. We agreed, but nothing has been done. In trying to get some marl the other day, they said the Government is so broke that we cannot get a load of marl to help those people whose roads are in such terrible condition.

Willow Close off of Northwest Point was to have been done. For the past six years I have been trying to get this road fixed. When the Third Elected Member for West Bay, got elected, he too put his energies into trying to get that fixed, and every time there is a little bit of marl put here and there. These people pay their duty on their cars and they pay for their licence, it is time that this road be fixed, once and for all.

It is all right it seems, they made a priority of paving the parking lot here, and giving the Governor a new parking lot, resurfacing his parking lot and the new one here. By the way, we heard from the Member for Communications and Works, that there had been so much work done by the Public Works Department, and he named those two areas. They did not do those Mr. President. Those were done by private contractors.

I must ask the Member, since he was not here yesterday, we voted the money, "where is the beef?"

There are roads in Boatswain Bay, which were promised as far back as 1985, but no action has been taken. Touslin and Fredson Ebanks Road, see if you can put some pressure on for that man, Mr. President, you ought to remember him. See if you can put some fire underneath your Executive Council Members to get that road.

Some of these people are the same people whom the Member for Education preyed on to sign a petition against me, yet he will not ensure that their road will be fixed. But the road leading down from John Bothwell's house down to the farm, with not a fowl coop on it has been fixed, although it did serve two houses at the entrance.

All of this inaction has taken place after we took from the Budget last year, and put \$550,000 for roads. It is shameful of the Government to have squandered the money we put there. It is shameful of the Government. I must ask them, "what have they done with our money? Where is it?" There are no results in West Bay.

I will give you a good example as to what is causing serious problems, how the country is being run, and why there is so much waste in Government. For years a small road off of Elizabeth Street needed to be fixed. This was one of those situations where there was only a four-foot path. We finally got it fixed, to make a long story short. But, the man who agreed with us to have the road put through his land, after he got the road to where the road gave him frontage, where he could get into his land, he complained to Public Works and put fence-posts in the middle of the road. The property was sold and we got that taken care of. But, ever since then, there has been no end to the problems with Public Works on this matter.

In that area they had I would say, a 20-foot road. Everyone there agreed; the landowners and the adjoining landowners all agreed to a 20-foot road, and we would meet or telephone and they would agree, and then they would write you a letter and say, "It is not 20 feet, but it is 25 feet."

If we have a 20-foot road where we did not have one before, and ambulances, fire trucks and everything else can get to it, why do we need to extend that road which is a dead-end leading to only two houses, why? Is there some politics played into this thing? There is no need for a 25-foot road after we have already built a road. Now they want to go in and take five feet off the existing house lots that have been there for years; to destroy hedges and flower gardens and so on. We already have a road, 20 feet, maybe more than that.

This is a 20-foot road off of Elizabeth Street. If they want to do something, they should go about fixing Elizabeth Street, because that street is a disgrace to West Bay. Elizabeth Street needs to be worked on. Two cars, in some instances, cannot pass on Elizabeth Street, yet there is a little street off of Elizabeth Street that leads to two houses, that they want to make into a 25-foot road, which might never need a vehicle on it.

We must stop spending money where we do not need to spend it. I am going to deal with this one more time, to see where we can come to some agreement that they can stick to.

The West Bay School has had much publicity, and the Member for Education took some time out to try to explain his inaction down there. He said that plans and biddings held up the building of the school for 1989-90. That might be so, but his explanation that there was no money in the Budget for 1988 classrooms in West Bay is partly true. What he must remember though is that we discussed the provision in the Budget, and he said that the provision meant that West Bay would get the classrooms. But, that did not materialize.

What I blame the Member for is that he failed to plan properly; if we remember correctly that school, we knew, we made plans, we talked about it, not only since we were elected, but in the campaigns we discussed the need to improve the schools. So he cannot come here and say he did not know. He knew. He failed to plan properly.

The other thing that I blame him for is, had he done his work there would have been no need for the problems the district faced in the disruption of the school classes being held in the Town Hall, while the Town Hall was being renovated. That was the bad part of it; not that the classes had to be held in the Town Hall, because in this day and age it should not be, but so be it. Because of his inaction it had

to take place. But if there was a plan by Government and by the Portfolio to plan properly, there would have been no need for that.

I, like him, am hoping that we can soon have the school. As I said I agreed with him in that I doubt that there is any permanent damage done, except it only serves to highlight the Government's inability to plan properly and only highlights, again, Government's failures.

We have money in the Budget, although it was put there from last year. Again, a whole year and nothing was done. Do not tell me that it takes a whole year to get a plan. That is ridiculous in this day and age!

In any event, I am trusting that we will get the proposed new Post Office and that we will turn the old post office into a community library. As I said, I visited there with the Library Consultant and the Librarian. I am going to attempt to get some money for books from Government and hopefully the rest of the money can come from a community effort. But we believe that the library is needed to have a good influence on our community.

I propose this year to try to get a cricket pitch in West Bay. We want to see that more interest is taken in cricket. We have the space, we just need a commitment. There is much more that I could ask for, or I guess there is no use in my asking because I will not get it. We might not get what is even in the Budget, we know that the Budget does not provide, as I understand it, but for little roads this year, sadly. If we get the Post Office and the library we would have done something. I am going, of course, to attempt to get more money because I believe the Budget is loaded with non-priority votes, and we need the money for our constituencies.

In closing, the country is in a mess. As I have said, money has been squandered and the economic situation for next year looks dismal. We are asking Executive Council to get off their high-horses. If they cannot manage, they should come over here. That would cure the problem. I will take my seat over there.

There is a fact that Executive Council must remember and a real truth it is; and that is that no one group of men possess a monopoly on virtue, good ideas and constructive concepts nor does any one group monopolise the desire to do constructive things for the people of this country.

The Government must exercise restraint in its own expenditure with particular emphasis on improving effectiveness and efficiency which is sadly lacking in its existing operations, while controlling expansion of new activities which, although might be desirable or which sound good, would only contribute to the inflationary pressures we are feeling. Priorities must be established. Needs that effect a positive growth and not want, is the order of the day. Practical solutions must be found, not costly Consultants to be vampires on our shrinking finances.

It would have been good for Executive Council in their tirades to have been able to say that the economy will regain a strong momentum. But, they were unable to say that. All indications say otherwise. It is time that Government took a look at the way in which it establishes its Expenditure Budgets. I agree with that announcement, because I am aware of the practice adopted in other countries called 'Zero Based Budgeting', which does away with the practice of increasing successive years' Budget, by a percentage figure. Rather, departments would start from a base of zero spending and each is asked to justify and prioritise each item of Expenditure.

There are areas that can be, and need to be cut; Government must have the political will to do it. We must move cautiously in the diversification of the economy while it is needed, and I have said that, to ensure that we are moving into areas where we have or will eventually have a competitive advantage, and, into areas that will actually make a contribution to the economy rather than have to be propped up by our successful tourist and off-shore industries. In that regard, I make special reference to the Agricultural plan. I gave my reasons earlier, you must take note.

Personally, amid strong criticism and stumbling blocks put in my path, and petitions to embarrass me, still I have done what I was elected to do - serve my people. I consider myself and the Third Elected Member for West Bay a good team. We are doing what we can and those people needing us have been able to reach us. We cannot cure all the ills, but we can try to serve our peoples' needs. We will continue to do that.

With some reservations and with a plan to cut some Expenditures, we will agree for now, on the Appropriation Bill.

**Mr. PRESIDENT:**

The First Elected Member for Cayman Brac and Little Cayman.

**CAPT. MABRY S. KIRKCONNELL:**

Thank you, Mr. President. I rise to give my contribution to the Appropriation (1991) Bill, 1990. At this time I would like to congratulate the Financial Secretary, the First Official Member of this House for his able presentation of a very detailed Budget Address, which he delivered to this House on November 9.

It was somewhat different in style to previous Addresses that I have been accustomed to since being a Member of this House. It consisted of 69 pages of what I considered very valuable information, very useful to use as comparisons. Not being neither an accountant, nor an economist, I have had to read it several times to get a good understanding of it, but I do feel it is a well-prepared document.

I am honoured to stand here for the eleventh time to contribute to the Budget Address, having made my first in early 1981, after the 1980 Election. Much has transpired since I have been a Member of this Honourable House and much growth has taken place within the Cayman Islands. Large sums of money have been expended; much infrastructure has been put in place and I think that all can say, we have benefited immensely and must thank Almighty God for the blessings which have been bestowed upon us.

1990 in particular, has been a year in which we have seen things that none of us suspected we would see. I would like to refer first to the global basis before returning to a local one.

The collapse of the Communist Empire and Eastern Europe came with such haste that I think few of us really realised what was taking place. That has created some benefit and some great disadvantages for other countries. Soon they will be competing nations in the world. This was brought home very forcefully to me when I attended the Commonwealth Parliamentary Association conference in Harare, Zimbabwe earlier this year, to hear the concerns expressed by other Members of the Commonwealth who are both importing and exporting nations. The concerns which they share, although being most happy that communism is no longer the threat that it has been, but now, those countries have become economic competitors.

The destruction of the Berlin Wall came very suddenly. I had the privilege of visiting East Germany several times during the division and to see the difference between West Germany and East Germany, gave me a good insight of the difference between capitalism and communism. I wish for that country great success, but also the reunification of Germany has created a most powerful nation for the future; one who had great ability to resound from defeat, and become one of the great powers again.

Here on our own little Island, 1990 has seen many things happen that I did not think would happen. I myself have had some hard days in this Chamber. A petition was levelled against me in my own constituency, which I did not feel that I deserved, but the democratic right of the people must be exercised and I accept that as their view, but I shall never forget it. I try to forgive but I do not always forget.

My conscience is very clear that during the decade, and little more than I have been here, I have always done what I have felt was right not only for the people of my district, but for the Cayman Islands as a whole. I will continue to do that as long as breath is in my body.

The Cayman Islands is a growing nation, a nation which has been blessed. But, all of us here as legislators, are responsible to chart a proper course for the future of this nation. I caution all Members that once on the wrong course collisions may occur before you can alter that course, therefore, it is easier to stay on the correct one and not run into danger.

The Budget which we are debating here today, is an enormous sum of money to be considered by a country with such a small population. I realise that we have had the success and the necessity for these expenditures, but I think the time has come when we have to prioritise our needs, as we all have to do in our families. Not often do we get our wants. We sometimes get our needs fulfilled.

The invasion of Kuwait or the occupation of Kuwait by the Iraqi Government, has sent the economy of the world spinning. No one knows to what extent the price of oil will reach. If military intervention is necessary, we not only could be placed in a position of having to pay an extremely high price, we may be placed in a position of not being able to get petroleum products at all.

Petroleum products are the life-blood of this economy and all industrialized economies of the world. Therefore, the Estimates which we are considering, although very realistic when they were prepared in July and August, give me great concern, particularly in my district, or the escalating cost that has been caused by the wage increase, and the vacation periods that have been granted and most of all what could happen with the cost of fossil fuel, the petroleum which is so necessary to keep the wheels of motion going. None of us at this stage can anticipate, but I think the thing that we must all bear in mind, is that if the oil supplies of the Middle East are destroyed by military conflict, rationing of petroleum products would have to be worldwide and certainly the Cayman Islands would come in for a very small share.

It is not my desire to spread doom or gloom, but reality is something we all must face. I do hope today that conditions will be settled in that area without the necessity for military intervention, in which case, conditions could return to normal within a short period of time. This would certainly make for an easing of the tension throughout the world, and particularly on the resources of small countries like our own.

In reading with keen interest the Honourable Financial Secretary's Budget Address, it has hit me very hard that the Government, in presenting their Balance Sheet as a Cash Balance Sheet which shows only Revenue and Expenditures, have sent many of the people of the Cayman Islands the wrong impression.

I have heard the words "bankrupt", "broke" and other exchanges used rather freely in this Chamber and outside, when discussing the position of this country. I think it would be very fitting and proper if it was properly explained that we are simply talking about a cash position, and that the assets of this country never come into play.

When an individual speaks of being bankrupt, they literally mean they have nothing. A country or a Government is speaking simply of their cash position. This Government, although having a substantial national debt, has a substantial amount of money owed to it. If the national debt had to be liquidated they could in turn call in debts owed to them.

That, in the private sector would be a rather healthy position, plus the hundreds of millions of dollars. I have no idea to what extent that goes, of buildings, roads, equipment and all the other infrastructure which is owned by the Government of the Cayman Islands.

I think it is wrong the our people should get that impression because I feel that our country has done exceptionally well. This may have been a hard year, the whole world may have suffered. There has been a downturn in the economy throughout the world. This is very easily understood by watching the television, by listening to the radio and by reading the financial journals. I do not think any country has escaped this downturn in the economy. Few nations have the financial resources for the size of the population that the Cayman Islands have.

I would also like, if in his winding-up, the Honourable Financial Secretary would explain the \$4 million in the Escrow Account which they said is part of the Revenue, which was short. And also explain that when the loan is not drawn down, the revenue, naturally is short. That question has been asked of me by many people on the outside. I have given them my non-professional explanation, which, coming from a professional would be better understood.

**MR. PRESIDENT:**

Would you like to break there?

**CAPT. MABRY S. KIRKCONNELL:**

Yes, sir. Thank you.

### **ADJOURNMENT**

**HON. THOMAS C. JEFFERSON:**  
o'clock tomorrow morning.

Mr. President, I move the adjournment of this House until 10

**QUESTION PUT: AGREED.**

**AT 4:30 THE HOUSE STOOD ADJOURNED  
UNTIL 10:00 A.M. FRIDAY, 30TH NOVEMBER, 1990**





**FRIDAY  
30 NOVEMBER 1990  
10:19 A.M.**

**MR. PRESIDENT:**  
Communication, Works and Agriculture.

Prayers by the Honourable Elected Member for

**PRAYERS**

**HON. LINFORD A. PIERSON:**

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 we may be enabled faithfully to perform the responsible duties of our 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 the light of His countenance upon us and give us peace now and always. Amen.

**MR. PRESIDENT:**

Proceedings of the House are resumed.

**ANNOUNCEMENTS BY THE PRESIDING OFFICER**

**MR. PRESIDENT:**  
House on the matter of a quorum.

Before proceeding to today's Order Paper, I shall address the

At 10:15 A.M. I was informed by the Serjeant-at-Arms that there was not a quorum present and that a number of Members were in either the Common Room or the Committee Room and appeared to decline to enter the Chamber, and that at least one Member stated that he was not going to make up a quorum as a matter of practice.

I should like it put in the record by the Clerk that this behavior, if correctly reported to the Chair, is a disrespect to the House and reflects pretty accurately on the dignity of the Members concerned. It must surely be obvious that a Legislature which is as well paid as this one should attend to its duties promptly.

On the matter of a quorum, Standing Order 13, I believe it is - and I trust the Members outside the Chamber are listening, - refers:

"The quorum of the House... shall consist of seven Members in addition to the Presiding Officer. [It then goes on to say:] If objection is taken by any Member that a quorum is not present, the Presiding Officer shall direct that Members be summoned, the Member taking objection having to remain within the Chamber and if, after five minutes the Presiding Officer is satisfied that a quorum is not present, he shall adjourn the House without question put."

That means without a motion for adjournment.

So, let it be clear that this House is properly constituted even without a quorum, until a Member takes objection. No Member has yet taken objection, and a quorum is now present.

Papers, Madam Clerk.

**PRESENTATION OF PAPERS AND REPORTS**

**FIRST INTERIM REPORT OF THE SELECT COMMITTEE ON  
THE RIGHTS OF THE CHILD, YOUNG PERSON AND WOMEN**

**CLERK:** Mr. President, in accordance with Standing Order 72(1), I wish to lay on the Table of this Honourable House, the First Interim Report of the Select Committee on the Rights of Children, Young Persons and Women.

**MR. PRESIDENT:**

So ordered.

**CLERK:** This Select Committee was established upon the passing of Private Member's Motion No. 9/90, on 23rd July, 1990. I have to report that the Committee has not met to commence its deliberations and that a Chairman has not been elected to date.

**MR. PRESIDENT:** Thank you. Papers continuing, the Clerk.

**FIRST INTERIM REPORT OF THE SELECT COMMITTEE  
FOR THE REVIEW OF TRANSPORTATION SERVICES**

**CLERK:** In accordance with Standing Order 72(1), I wish to lay on the Table of this Honourable House the First Interim Report of the Select Committee for the Review of Transportation Services.

**MR. PRESIDENT:** So ordered.

**CLERK:** This Committee was established upon the passing of Private Member's Motion No. 7/90, on 9th March, 1990. I have to report that the Committee has not met to commence its deliberations and that a Chairman has not been elected to date.

**MATTER OF PRIVILEGE**

**STATEMENT BY THE PRESIDENT**

**MR. PRESIDENT:** Thank you.  
Before we proceed to item 3 on the Order Paper, I shall deal with a Matter of Privilege raised in this House on 28th November by the Second Elected Member for Cayman Brac and Little Cayman, whom I observe is not present.

The Matter of Privilege was claimed in regard to supplementaries to Question No. 182, on 19th November, in the House. It related to the status of the Shorts Aircraft owned by Cayman Airways Limited. I have looked into this matter and in brief find that there is no Matter of Privilege arising, because in the supplementary replies given by the Honourable Member for Tourism, he did say at the end of one of these replies, "...at least not to the best of my knowledge." This indicates quite clearly that no question of a deliberate intention to mislead the House arises. I rule accordingly that there is no Matter of Privilege involved under Standing Order 28(3).

Government Business. Bills, the Second Reading of the Appropriation Bill continuing. The First Elected Member for Cayman Brac and Little Cayman.

**GOVERNMENT BUSINESS**

**BILLS**

**SECOND READING**

**THE APPROPRIATION (1991) BILL, 1990**

(Debate continues thereon)

**CAPT. MABRY S. KIRKCONNELL:** Thank you Mr. President.  
When this House adjourned yesterday, I was speaking on matters within the Budget Address and the Budget for 1991, which are somewhat confusing to the public, and had asked the Honourable Financial Secretary or First Official Member if in his winding-up he would answer questions.

Continuing on that, I would ask if he could explain a shortfall in revenue from the anticipated revenue of \$14.5 million of Stamp Revenue to the revised figure in 1990, of \$12 million. This is a \$2.5 million shortfall, which has contributed to the position which Government finds itself in with a shortage of the anticipated revenue.

I know there is an explanation for it, but it is a substantial amount and I think the general public should be made aware of what caused it, or what we believe is the cause of it.

I have raised these points, not in criticism, but simply to attempt to get an explanation which can be understood by the public at large. I think the image of our nation is very important not only to the Members in this Chamber, to the people in the listening audience, but also to the international press and the world at large. We are no longer isolated as three small islands in the Caribbean, but are known worldwide as one of the leading offshore financial centers and anything which tends to give us a bad image will hurt our future to retain the high position which we have reached. So, I want to make that abundantly clear. I am simply seeking explanations of these points which I have raised, to improve and to protect the image of the Cayman Islands.

Mr. President, I now move to Education.

Education is one of the most important responsibilities of any nation, for as we move more toward sophistication in employment and technology our people must be better

educated in order to compete. We have seen over the years that because we are a fledgling nation, most of the senior positions in our institutions have had to be filled by expatriates, which we deeply appreciate what they have contributed to us. But it is essential that we prepare from the very beginning, the Pre-school, the Infant School, the Primary School, Middle School, High School and on to tertiary education that we will prepare our indigenous people to one day reach the height of all professions that are available within the Cayman Islands.

In order to do this we will have to continue to provide large sums of money to employ teachers and to build the necessary classrooms. It is important that we project the needs in advance, in order that we can keep ahead and not have overcrowding.

I realise the situation in Grand Cayman is the exact reverse of what has happened in Cayman Brac; our population has decreased. So we have some empty seats, but nevertheless, money spent on education is an investment well-invested. For I think it is important that all of us realise that nothing is cheap, nothing is free, and everything that is worth something costs money.

Mr. President, I have visited the Community College several times during its construction and I am proud of what I see there coming to reality. I am sorry that it was not able to be erected before, but I read in the newspaper recently, where one section had been turned over to the Education Department and others will soon follow.

I was impressed with the Hotel Training School section. It was explained to me that in-house training facilities will be there and will provide the necessary technical and practical training so that when students go to find jobs they will be qualified. This is very essential because we must consider tourism as the section of our economy that we must protect and in my opinion, that is where the major portion of employment will continue to be for our people.

Mr. President, health services are very high on my priority list. We have had a great development in health services over the last few decades in the Cayman Islands and just this past week, as a Ships' Agent; we had an American flag tanker and a Greek flag tanker diverted here to land injured seamen that were in critical condition. They were so directed by the Medical Officer in charge of the United States Coast Guard because George Town, Grand Cayman is listed with them as having the best facilities available within this area of the Caribbean. That, I feel is something that we should all be proud of. There are many countries larger than the Cayman Islands that were closer to these ships, but we were designated as being the area that could provide the services needed for the type of injuries that these people had. I emphasise that they were both critically ill.

There has been considerable argument about our Hospital. I feel that we must get on with the improvements at the present Hospital as rapidly as possible. The delay is causing a problem; beds are in short supply and sometimes people before returning to normal circumstances have to be released from the Hospital and return home. I hasten to say none should be released if they should not be released, but for some their stay at the hospital had to be shortened because the bed was needed for someone who needed it more.

I want to say that a healthy community is a very necessary part of our infrastructure and if we are not prepared to fund it, then, I do not know where we go from here. I have been sort of in between, but as I stand here today, we need to get on with the improvements of both the Faith Hospital in Cayman Brac and the present George Town Hospital and think to the future for better and more modern facilities.

Mr. President, the Mosquito Research Control Unit (MRCU)... everyone of us here and those in the listening audience will appreciate the job that has been done and continues to be done by the Mosquito Research Control Unit. It is very active in all three islands of the Cayman Islands and the very reason that we can enjoy life here in the Cayman Islands is because they are active.

People in my age group can probably remember when they could not venture out after dark without protection and a smoke pan or something else to prevent mosquitoes from almost smothering us.

Mr. President, this is a very technical field and I realise that it is an expensive problem. I discussed at length with other different Commonwealth representatives recently, when I was in Africa, and they seem to believe that aerial spraying has not given them the results that they have been seeking, and they have now gone to pellets and are going to the site.

I have learned much from discussions with Members there and I feel that it is imperative that we not only try to control the mosquitoes, but should make every effort to eradicate them from these Islands; they are disease carriers. Also, they make life very uncomfortable and certainly if they are not continued to be controlled they will prevent the people who come here for vacations from coming.

So, I support the Mosquito Research Development Unit and I congratulate those who work within that Department. Because I have seen the benefits on all three Islands, and they continue to try to keep ahead of the problems which they face, as they attempt to solve it.

Mr. President, Northward Prison.... It is unfortunate, because as a modern society it is necessary to incarcerate convicted individuals, both male and female. As this country has grown we have been able to establish an institution within the Cayman Islands for this purpose. I do not think that in the initial stages anyone had dreamt that the population would grow as rapidly as it has grown.

Recently on my visit to that institution I came away extremely concerned. So many of our youths are destroying their lives. They are being placed there to serve sentences sometimes for a number of years and I am concerned that the Prison Services are doing what they can, but the facilities that they have in order to teach and try to push the anti-drug programme and the educational programme are grossly inadequate. What is happening is that after these individuals have been incarcerated and have paid their debt to society, they are released; they come back into society no better than when they had faced the Judge who convicted them. Often times within a very short period, they are right back before that same Judge and

appear again at the entrance gate of Northward Prison for yet another term.

Mr. President, we must endeavour to provide more facilities to rehabilitate these prisoners. It is my understanding that whether or not they seek help for their addiction is simply on a voluntary basis. I have spoken to some of the former inmates there, who have served sentences and were released, and did not know that they had the privilege of asking for this opportunity. They felt that because they were prisoners, they had to do exactly what they were told. They did not know that they could have ask to be enrolled in this programme.

So I feel that although they are there because they did something that was in violation of the laws of this country, it is the responsibility of this country to attempt to make available the facilities and infrastructure to provide rehabilitation. It is too many, and too large a population that we can not allow them not to be rehabilitated.

I also feel that after standing in this House for many years that I can say that the place where relatives and friends of inmates are allowed on a rotation basis to visit, is grossly inadequate. It appears merely at the entrance of the prison, with steel doors and where vehicles passes through. That area is where the visitors are allowed and where they meet their loved ones. They are somebody's husband, somebody's father, grandfather, mother, sister or the like and I feel, as we all saw there, we need additional cell blocks because the population is going to grow, but also, there must be priority placed in the improvement of this visiting area.

I have great concern that we are not providing the proper place where these people can keep in touch with their loved ones. Because if they are cut off from their families, they tend to get worse, not better. Medical records will show that once someone is incarcerated and cut off from his loved ones, they build up a resistance to all law enforcement.

So, I think that if we do not want problems within that institution, we need to think of better facilities for that purpose. It is not a major expense; \$75,000 to \$100,000 could provide a proper place, with the proper acoustics so that what one inmate says to his family is not heard by 30 or 40 people. That certainly would not be a great burden on this country.

Mr. President, we must realise that the Cayman Islands have a large number of people here on work permits while many able-bodied men and women are incarcerated there because they did not fit into society. If we can find some way of having them fit into society, maybe we can get our population reduced at the Prison and that burden will not be on this country.

I know it is the Director of the Prison's idea, and I honour his judgement; he is a professional and I have great respect for his ability, that he needs additional cell blocks, and that I agree. But in addition to that, this facility that I have spoken of, I feel is a must.

I go now Mr. President, to Tourism.

Tourism has, for many decades, been the largest employer of our Caymanian people. Recently the Tourism Department and the other associated industries within the tourism field held a Tourism Awareness Week. I am very grateful that they also included Cayman Brac and I think it has made us more aware of what Tourism means and how each of us, that are not directly involved with tourism, can help to make this a more ongoing success.

Competition is becoming keener all the time because of the position of most third world countries with devaluation of their currency and obligations to the International Monetary Fund and the others. The rates in those countries are becoming more attractive than the Cayman Islands, but in my recent trip through Africa and Europe, I realised that we really cannot say that the Cayman Islands are expensive because even in Africa some breakfasts cost \$20, and in London #20, so the Cayman Islands is not the expensive destination that we often hear of. When we compare it to the United States of America, well, it is expensive, but that country has always had a much lower cost of living rate than most of the others.

The important part of Tourism is that we must make these tourists feel welcome in our country. They must not feel that there is no where else to go, they have to come here so, we do not care. They will be back next year! That is not the story. There are a lot of other destinations and we need these people. So I encourage all of us and all within the listening audience to attempt to work with your Department of Tourism in creating a more friendly atmosphere for our tourists and make every effort to provide value for their money.

Cayman Airways Limited: I have supported Cayman Airways throughout its history with previous Governments and this Government because I realise that it is an absolute necessity to support it if people are to have adequate international air transport, and tourism is to continue.

Recently, I read in the newspaper where one of our American flag carriers cancelled a flight on Thanksgiving day and, had it not been that Cayman Airways was able to put in a special flight, the people would probably have been disappointed and not arrived at their destination or, if they did, too late to enjoy it. That is the reason Mr. President, why Cayman Airways is so essential, Cayman Airways will always return to the Cayman Islands. This is Cayman Airways' home. Other airlines come in here because it is lucrative, when it ceases to be a lucrative route, their schedules will change very rapidly. I hope that day does not come, but it could, and that is when we will all appreciate Cayman Airways that much more.

Living in Cayman Brac, we realise that that is all we have. Cayman Airways is our sole connector with its association with Island Air. We are very grateful for the arrangements that have been made by Cayman Airways and the Portfolio for Island Air to service Little Cayman. I think that Little Cayman is now enjoying possibly the best air service that it has ever enjoyed. It is more frequent and they assure their passengers of getting them and their needed supplies over from Grand Cayman.

So, although Cayman Airways has this year shown a loss, I think we have no means of evaluating what Cayman Airways has contributed to the economy of the Cayman Islands. If

we had some measure, and I am sure that the Economic Development Unit could not devise the strategy to find out exactly what that is, and subtract the loss incurred by the airline itself, you could then see that the Cayman Islands has benefited immensely by Cayman Airways.

The Housing Development Corporation (HDC) and the Agricultural and Industrial Development Board (AIDB) continues to serve a very useful purpose. The introduction by the Housing Development Corporation of loans for people with a little higher income, - in other words houses that can cost somewhat more - is proving to be quite beneficial and I am very grateful that the manager of the Housing Development Corporation has visited Cayman Brac and has made personal contact with some of the clients, and our people now understand and have a better working arrangement with the HDC, which I think will enable them to understand what can be financed and exactly what arrangements can be made.

The AIDB with its agricultural loans, student loans and others are most essential and I hope that can continue. I would like to speak specifically on the student loan. It is my understanding that AIDB makes student loans on the recommendation of the Education Council. If a student wants to attend a school that is not in the views of the Education Council approval/recommended (I do not know exactly which is the correct word to use there), then the AIDB is unable to loan funds because that is a stipulation of the Caribbean Development Bank.

I would like to suggest that this Government make a small amount of money available, from the Revenue of the Cayman Islands, which could facilitate students who want to improve their position in life but for some reason or another have entered an institution which is accredited but not approved. In particular there is one that I am thinking of where we have people working within the Civil Service, have graduated from there and went on to get higher degrees. So apparently the academic standard is not that bad, nevertheless, the AIDB is not able to help students attending that particular school because it is not one that can be approved by the Education Council. And as I said, this is because of a Caribbean Development Bank requirement.

I think this country..., in the interest of trying to help our students, a student applying for a loan certainly has the intention of repaying it, the AIDB will require a guarantor and make provisions that the money be repaid. I feel that this country is in a position that they can help these students. Because not all of us want to go to the major ivy-league Universities or the better-known ones in the United States and the United Kingdom. I would like some attention be paid to this.

Mr. President, I am glad to see that the improvement on the second story of the Radio Cayman building is almost completed. They needed additional space and I am grateful to see that it has been provided and will soon be completed. With the installation of the Motorola Trunking System Antenna, in Cayman Brac Radio Cayman is in the process of moving their equipment from the Cable and Wireless tower at Stake Bay, to that antenna which is a higher antenna and their transmitting equipment which installed on Cayman Brac will be in the bunker with the Motorola equipment.

This will serve a two-fold purpose because in times of emergency or if there should be a power failure, there will be a standby generator at the Aston Rutty Civic Centre, which will be in operation and will ensure that Radio Cayman, provided it is transmitting here in Grand Cayman, will be able to be heard in Cayman Brac.

I would now like to concentrate more directly on District Administration, although I have spoke somewhat on that, but more in general on the district which I, with my colleague, represent. We have had a good year during the year 1990, in Cayman Brac and Little Cayman and I would like to compliment the District Commissioner and his staff, the Works Superintendent and his staff for the projects which have been completed, and the hard work that has been accomplished in that district during 1990.

The largest appropriation that Cayman Brac has ever had almost doubled what is appropriated here in previous years. And, I would like to report to this House on projects that have been completed, dealing first with Little Cayman; the road along the South coast of Little Cayman which is known as Guy Banks Road, which 1.25 miles of it had been rebuilt at the cost of \$100,000. The road across the Island at the Cayman Brac Power and Light Power Station, which goes from the South coast to the North coast, which is 2,800 feet and had to go through a swampy area, it was required that we get special equipment from Mosquito Research Control Unit and the Central Funding Scheme in order to do it. This is a 30 foot road and 1,000 feet was built through swamps. The filling exceeded eight feet in some areas and also a 12-foot ridge had to be blasted. These factors are the major contributors for the high cost of construction; and that was built at a cost of \$140,000.

The East End link road goes around the eastern end of Little Cayman. For those who are not familiar with Little Cayman, prior to this had a South coast road and a North coast road connected around the Western end, but no connections on the east; this road has linked the two roads at the east. The funds that we have allocated this year was not sufficient to complete the road as designed and it was not expected to do so. But, it did do more than we anticipated and we were able to put a temporary connecting road, with the permission of our Honourable Member, to join into the north coast road. So it is now possible to drive around Little Cayman for the first time in history. That was built at a cost of \$180,000.

The road in Little Cayman was built without the use, originally, of any heavy equipment and some of the curves were extremely dangerous. One being, in particular, near Owen Island or the Little Quay, as it is sometimes called. While we had equipment for the road across the Island, our Member gave permission that it could be used to improve the safety of the road by straightening a curve near the Kingston Bight Lodge. That was 1,000 feet and was built to a 30-foot width, 800 feet were built through a swamp. The filling in some areas had to exceed 10 feet and in some areas it was all through swamp, as I said before, which made it quite expensive; and that was done for \$80,000. Therefore, the total money expended in Little Cayman on road construction was \$500,000.

In Cayman Brac, .75 of a mile was done on seven minor roads. In Cayman Brac we use a sand-seal coating as opposed to chip and spray, and that was levelled, graded and sand-sealed at a cost of \$25,000.

Fifty thousand dollars was in the Budget last year for agricultural-feeder roads and we were able (economising as much as possible) to construct 1.2 miles of agricultural roads on the Bluff, for that figure. The cross-island road known as the Aston Reid Drive on which the Civic Centre is located, has been an ongoing project. In 1989, a third of it was done and in 1990, a section of 2,000 feet was completed. This road had to be re-engineered because when it was built, it was partly done by the community as most projects in Cayman Brac are; started by the people and then finished by Government. But some vegetable matter was in the fill, and some of them were caving in. It was a hilly and dangerous road for traffic, so it had to be re-engineered. It has now been redesigned, engineered and built to the proper Public Works road standards, including sloping shoulders in the elevated areas. Extensive blasting and filling were required, therefore, it cost \$200,000 to complete. We still have approximately 2,500 feet to bring it to completion on the North coast, but a total expenditure of \$275,000 was spent on Cayman Brac.

There is a new road for the garbage land fill area or dump as it is called, which is now in progress and to date \$50,000 has been spent on that. The total road expenditures for 1990, in Cayman Brac and Little Cayman amounted to \$825,000.

I would again like to congratulate the Public Works Department for being able to complete so much work in the time they had, realising that we had limited equipment in Cayman Brac and our district is separated in two islands; we have to depend on the availability of a ship to transport the roller grader and heavy equipment from one island to the other. So, sometimes you have to delay work on Cayman Brac while certain equipment is in Little Cayman and vice versa. I think they ought to be complimented, that so much could have been completed. So as to give an idea, I have taken the time to read the distances as compared to cost.

Also, we have been fortunate in receiving a new ambulance for Cayman Brac, which arrived last week. It is fully equipped and we are very happy with it. That now gives us a second ambulance and certainly equips us for any emergency that we may have in that regard. We were also able to purchase during this year, a 16-yard dump truck at a cost of \$50,000 and a vibrating roller at \$58,000, an asphalt cutter at \$1,500 and a compactor machine at \$2,500.

The Public Works Department, also re-roofed the District Officer's residence in Little Cayman and the Teacher's Cottage in Cayman Brac at a cost of \$25,000. Standby generators and storm windows were purchased for the hurricane shelters, and our hurricane shelters are now in good shape, at a cost of \$21,500. The total building completion was \$46,500.

Additionally, in progress at the present time and funded from the 1990 appropriations, is the construction of Government staff housing in Little Cayman. The projected expenditure through to 31st of December will be \$45,000 and a new industrial arts classroom at the Cayman Brac High School will be \$75,000. On other projects, we have been able, for the first time, to provide a proper playing field or softball/soccer pitch, - whatever we wish to call it - at the High School, at a cost of \$25,000. We now have portable rest room facilities at the extreme east end of the Island on the Light House Road - \$10,000 was in the Budget last year for that. We still have some money left, with which we are hoping to make more permanent arrangements. And a major seawall project is being constructed at the Spot Bay Cemetery, as this cemetery is extremely close to the iron shore and the water, we fear that in the event of a major storm we may have a great tragedy with the disruption of the graves. An expenditure of \$32,000 will be completed there the 31st of December.

Work on the boat ramps on the south coast of Cayman Brac opposite the Gerrard Smith Airport is now in progress. That will include a boat ramp and a small jetty, which will allow boats coming in and going out to be tied alongside and in addition, will be able to be taken out of the water on trailers. There are other minor things, but I will not take the time of this House to go any further.

The Private Sector in Cayman Brac has been active with house building and home improvements, as the result of spin off from a buoyant economy because of the occupancy in our small hotels and the major expenditure made by Government during the year. I noted with keen interest the unemployment figures listed in the Honourable Financial Secretary's Budget Address which shows our labour force in Cayman Brac and Little Cayman. Cayman Brac being 825 with an unemployment rate of 7.4 per cent. I cannot argue about that, but I know it is very difficult to get someone to work. I have never found anyone coming to me asking for a job anymore. I am always going to them and they are telling me when they can work, so as far as unemployment on Cayman Brac, if there is unemployment, it is not that much and Little Cayman came up with a zero percentage, with 27 in the work force.

Briefly, Mr. President, I would like to speak on the bulk storage which is proposed for Cayman Brac by Texaco. I hasten to say that I think everyone in Cayman Brac is anxious to see the installation of this terminal. I speak not only for the people, but for the Development Control Board Members and all others that have a duty to perform. The project is fully supported and it is absolutely necessary. I, sincerely hope that arrangements can be made and that they will satisfy the safety requirements of the Chief Fire Officer so that this project can go ahead.

I do not think that anyone in the Cayman Islands have suffered anymore with the lack of a bulk storage facility, than we have in Cayman Brac. Having, at a young age, traded here on ships when we brought petroleum products to Grand Cayman and Cayman Brac from Jamaica in drums; having managed the power company for over 12 years and having had the problem of trying to keep that secured; being a Texaco distributor in Cayman Brac for many years, I have had it from all angles and I am fully aware of the need of a facility and I support it 100 per cent.

The simple problem is that the site that had been chosen, met

objections from residents in the area and there were stipulations set down by the Chief Fire Officer which were insurmountable as far as the Development Control Board was concerned.

I would now like to touch briefly on the need for improvements at the Faith Hospital. We are proud of the little facility we have there. I was involved with Faith Hospital from the very beginning; I was the Chairman of the Hospital Committee and head of the Finance Committee, which financed it, and raised the funds from donors in these Islands and overseas that got the building built, so it is very close to me.

I will have to agree that we are not experiencing the want of bed space in Cayman Brac; we have adequate bed space. The reason that we need improved facilities there, and I would like to make this point very clear, is that the hospital plans were designed by a resident of Cayman Brac, a doctor from Texas, and it was designed along the American lines where a hospital has doctors quarters attached to it with no outpatient facilities whatsoever. When it was taken over by Government, most of the private rooms had to be taken over for consultation rooms, pharmacy, nurses stations and for all the other things that were necessary.

Therefore, it was not properly laid out and to redesign the floor plan would mean closing the hospital for at least six months; tearing out the entire inside and redesigning it. We feel that we cannot do without the hospital. Therefore, it is necessary that the new 18 to 24 bed hospital, whatever size is decided upon, be completed and put into operation so that as patients requiring hospitalisation, be it from accidental trauma or whatever reason, will be able to be hospitalised. And the function of that hospital will be able to go on while the present facility is remodelled to suit the outpatients need of the community. That is the reason that is necessary. It is not that we are short of beds.

Another important factor, that makes the improvement very necessary, is the employment that it will provide for the labour force in Cayman Brac. We realise that Government will have to cut back in some areas, and this would be one way if money is borrowed to improve the hospital, that will provide employment for carpenters, masons, plumbers, electricians, painters and the like, which will help stimulate our economy.

The communications system in Cayman Brac has been greatly improved by the introduction of the trunking system by the Motorola Company. It is my understanding that when Cable and Wireless has made the necessary adaptation to their equipment, which has given me some concern, we will then have the ability to connect to the Cable and Wireless system certain hand-held and mobile sets. In particular, the police officers in their vehicle will be able to answer the telephone when the station itself is not manned. If there is no one in the station to answer the phone, the officer in the vehicle will answer and naturally can reply to whatever emergency the call necessitates.

There are concerns that Cable and Wireless is now just looking into the fact that they need this adaptation. They have done it in Grand Cayman, but they have a different manufacturer and the equipment in Cayman Brac is made in a different country than the one in Grand Cayman. They are not sure if and when they will get that equipment. So, that gives me a lot of concern. That was really my reason for asking, that we be included in the trunking system, so as to provide this facility to improve our police protection.

Our Agricultural Department has not been functioning as efficiently in Cayman Brac as I feel it should. I am somewhat disturbed that because of the work load the Department has here in Grand Cayman, they are not able to share their time with supplying the needs that we have in Cayman Brac. Months have passed, and only until a week ago, that the doctor finally came over for a few hours; this is not proper. It is dangerous because the animals on Cayman Brac need to be examined. They have needs the same as the animals in Grand Cayman.

I understand presently there is an embargo against the shipment of live animals, between Grand Cayman and Cayman Brac. So there is concern that they do not want the Grand Cayman cattle going to Cayman Brac and if there is a reason, we do not want them. But nevertheless, I would ask that more attention be paid to Cayman Brac, because although our land is not suitable for agriculture, we do have a few dedicated farmers and cattle owners who have put their lives and their life savings into this and need assistance.

The Land and Survey. We are also having problems with the Government surveyor. Some years ago it was so very difficult to get a licensed land surveyor from Grand Cayman to come to Cayman Brac or Little Cayman to do work, that it was decided that Government would employ a Government Surveyor in Cayman Brac. He would have the authority to do private work, which would sort of justify the appointment of an officer there, since Government itself did not have, at least at that time, sufficient work. Now major restrictions have been placed by the Department and we are knowing the want of getting a surveyor. The surveyors from Grand Cayman will go over to Cayman Brac for major jobs, but small jobs are just not practical. The people cannot afford to pay what it would cost to have the small jobs done. I have had discussions with the Portfolio and they have assured me that it is being looked into. I hope that the results will be favourable.

**MR. PRESIDENT:**

Would it be convenient for you to break there?

## **APOLOGIES**

Before we break, I had a note earlier with apologies from a number of Members. The Third Elected Member for George Town is indisposed and may not be able to attend today, the First Elected Member for Boddin Town, who had given notice that he would be late, and the Elected Member for East End I understand, is still indisposed.

Proceedings are suspended for 15 minutes.

**AT 11:20 A.M. THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 11:44 A.M.**

**MR. PRESIDENT:** Proceedings are resumed. The First Elected Member for Cayman Brac and Little Cayman, continuing.

**CAPT. MABRY S. KIRKCONNELL:** Thank you, Mr. President. When we took the break I had completed speaking on Agriculture.

I am also glad to report today that we have money in the 1991 Budget which will improve the jetty and the approaches to the channel, which is the south coast jetty on Cayman Brac. The funds will be used to extend the jetty and deepen the water in it. I am also informed that equipment necessary to deepen the water in the channel, to allow approaches from the outside and inside the channel will soon arrive in the Cayman Islands and that the project in Cayman Brac will be given the number one priority by the Portfolio.

I am most grateful for this as it is very necessary. It is the only enclosed harbour that we have on Cayman Brac and particularly, during the Million Dollar Month, a lot of yachts come over from Grand Cayman and other places to participate in tournaments, often times they are damaged because of the shallow water. This will enhance the Million Dollar Month's tournaments held there and in turn will help immensely in boosting our economy and also promoting the Million Dollar Month operations in Cayman Brac. It will also benefit the live-aboard dive boat operator who now operate out in the jetty and also the dive operators who handles his water sport operations from that area.

It has been difficult for years to get this area of water deep enough to handle boats that needed to use it. It was alright in the days when there was only a matter of small boats which were taken up by trailers, but as we grew in sophistication it became more necessary for the improvement. We are most grateful that this is being done. This, coupled with the boat ramp and the jetty that I spoke of earlier which is being done in the same enclosed portion of water, will improve considerably, the boating facilities on Cayman Brac. I am very grateful to the Member responsible for Communications, Works and Agriculture that he will give it priority in getting this done when the equipment is available.

In speaking earlier, I listed the \$50,000 which we had spent on the agricultural feeder roads. This have proved to be quite a good investment. We have found out exactly what it will cost to do the additional feeder roads when funds are available. Several people are now involved in agriculture, those that were unable to farm their land because even though they might have been able to get there to plant the crop, they were unable to reap them. So, it has provided access to the good land as there are for agriculture in Cayman Brac.

As I said earlier, we are not really an island that has good agricultural land, it is just pockets within the rocks that can be cultivated. Therefore, machinery cannot be used but it is much more accessible with these feeder roads and they have added to the amount of local produce now available on the island as supposed to before. I am hoping that as things go on we will be able, probably not during this coming year but the year after, to have additional money to further this Feeder Road Programme.

The Day-care Centre which has been organised with the guidance of the Social Services Department, is serving a very useful purpose in Cayman Brac. For us, like everywhere else, the cost of living is high and requires both members of the family earning a wage in order to be able to provide for their family. They are therefore, now able to put their young children into the Day-care Centre with the confidence that they will be given proper care and attention. I am grateful that Government has been able to assist the Day-care Centre with a building and also with some financial assistance to keep it going.

The Rest Home continues to serve a very useful purpose on the island. Although it was a property that was donated, it was the home of my uncle and it is quite an old building, but it is now in need of considerable repair. We are trying to get it upgraded and I understand that there is funds in the Budget, again, this year for a contribution, though it is somewhat small, it is very helpful to them to meet their budget.

I have also been asked by the Churches in Cayman Brac that have benefited from Government support to the Youths' Programme to express their appreciation to Government and the Portfolio in particular, for the assistance rendered. It has helped to keep the children off the street. I think the programme is well advanced and they are getting training that will benefit them throughout their lives.

In reading what has been accomplished by the Public Works Department, it is obvious that a lot of work has been done on Little Cayman, and it now has the Cayman Brac Power and Light Company with a 24 hours per day central electrical distribution system in operation.

I am also glad to report that Cable and Wireless is in the process of building an exchange for switching equipment which will, for the first time, enable the people of Little Cayman to have proper telephone communications. In the past they have had telephones but it has been over a radio-telephone system and there was absolutely no privacy whatsoever, as one's conversation could be listened to over radio frequencies. When this exchange is put into service, it will give Little Cayman its first proper telephone communication system which is being looked forward to.

Government has also purchased a piece of land in the Blossom Village area on Little Cayman. This is a little parcel near to where the Public Works Department now have their compound, and it is hoped that this can be developed for public beach facilities as well as a park and other future uses that Government has for it. But it was a much needed piece of land as Government had encroached on it from both sides; with the District Office on the East and the Public Works Compound on the West. So it is just



giving Government ownership to some of the land that they have been using for years.

The 1991 Budget which we shall examine in Finance Committee, is one that proposes to use debt-financing for Capital Projects, borrowing from local funds of \$12,971,115, and loans from external sources of \$360,402 for a total of \$13,331,417. This borrowing is necessary because it is incumbent upon a Government when there is a downturn in the economy and the private sector tends to slow down in their spending, that the Government not allow a total recession to set in.

I think this borrowing will support, as was listed in the Honourable Financial Secretary's Address; education and training, diversification of the local economy, road development, medical and dental care, tourism development, development and planning and budgetary administration.

This \$13.3 million not only will provide the previous items I have named, but it is my understanding that injection of capital into the economy has a roll-over effect of about four times. So this amount of money spent in the economy will be some \$50-odd million dollars injection into our spending. This means jobs and take-home pay for many in the Cayman Islands.

I think, although I have always been one who has tried to be very conservative in my spending, that this is necessary. But we must make sure that our priorities are right and that since it is borrowed funds, that every dollar is spent for good value. We must make every effort to improve the efficiency and effectiveness of our revenue collection. I feel confident that there is much revenue out there that can be collected and should be collected. Some is owed by persons and organisations that can well afford to pay it. I feel that when you owe money, it is not your money and this will, in my opinion, add millions to our revenue if it can be collected.

I would like to make a humble plea to all Honourable Members of this House, let us keep politics out of our deliberations in Finance Committee. Let each of us contribute whatever knowledge and expertise we may have, showing a keen interest in the future of these islands. Let us pass a Budget for 1991 that will fill the needs of the country and our people.

In conclusion, I would like to thank you, Mr. President, for your leadership during 1990. The Clerk and her entire staff for all their assistance rendered to me during the past. And finally, I thank Almighty God for the many mercies he has bestowed upon this country and ask for his continued guidance.

I support the Bill entitled a Bill for a Law to Appropriate Certain Expenditures for the Services of the Financial Year 1991, the Appropriation (1991) Bill, 1990.  
Thank you, Mr. President.

**MR. PRESIDENT:**

The Honourable Third Official Member.

**HON. J. LEMUEL HURLSTON:**

Mr. President, I would like to make a brief contribution to the Second Reading debate of the Appropriation (1991) Bill, 1990.

I am perhaps the twelfth Member to make a contribution to this debate and apart from the Honourable First Official Member's winding-up, could very likely be the last Member to make a contribution. I shall confine my remarks, in the main, to the principal area to which considerable attention has been focused on during this debate and that area is of course, the Civil Service.

But permit me to share a little anecdote with the House, an anecdote that I think will serve to illustrate the point I wish to make. And this little anecdote is entitled: They Ought To Fix It. It is a story of a convention guest speaker travelling back home on the train having just addressed a convention. He was reflecting on the convention and his thoughts drifted, not so much to the involvement and participation in the convention itself, but to three specific experiences he encountered during the trip.

I should perhaps put a date on this event for the record, this event took place in 1920. The three events that the convention speaker turned his mind to commenced two days earlier when he arrived in the convention City. He was met at the station by a group of fine men who drove him to his hotel. En route to his hotel the car hit a bad bump in the road and his unprotected head hit the roof of the car, causing him to bite his tongue. The driver of the vehicle apologised saying, "Sorry Sir, somebody ought to fix that bump, it has been like this for the past six months." Upon arrival at his hotel, the bellman escorted him to his room and in opening the window, he found that it was stuck. He said in a struggle, "Sir, somebody ought to fix this window, it has been like this for as long as I have been employed here." The next day, while sitting in the Convention Hall awaiting his turn to speak, the man sitting next to him leaned over and said, "Sir, the acoustics in this auditorium are pretty bad, you are going to have to speak very loudly if you want to be heard, somebody ought to fix it."

Now the gentleman was returning home on the train and he was thinking about the bump in the road, the window sticking in the hotel room and the poor acoustics in the auditorium, and he thought about the statement. The one common thing that rang throughout was the remark that 'somebody ought to fix it.'

As he reviewed these events, a smile came over his face and he wondered, just where are these invisible somebodies that ought to fix everything? He thought about the man who had driven him to his hotel, he was a young man and a bachelor, he wondered if that young man had taken a beautiful girl to a dance and found himself out on the verandah in a moonlight setting with roses and soft music, and, if in the company of the young girl, she looked up at him expectantly with big blue eyes, would that young man had looked at her and said, "Somebody ought to kiss this girl." Not a chance he thought, he would have kissed her himself.

What about the bellman at the hotel? If he had seen an old dirty dollar bill lying on the floor of the hotel, would he have said, "Somebody ought to pick that up?" Of course not. He

would have picked it up himself. And the man in the auditorium who happened to be a real estate dealer. If that man had knowledge of a piece of property at one price and knew of someone else who was willing to pay an even larger price for the same property, would he have said, "Someone ought to make this deal?" No way, he would have handled the transaction himself.

The point about this story is that in communities throughout the world there are people who expect that 'somebody' ought to fix things when they need fixing. It is true to say that in most communities, Governments get the greatest level of expectation from its citizens and I think it is true to say that 70 years later since that story was told, things have not changed very much. In fact, if anything, they may have gotten worst. In Cayman, when things need to be fixed, often times the Civil Service is expected to fix it. What is the Cayman Islands Civil Service? It is a dynamic group of individuals employed to deliver services to the community for the growth, development and expansion of that community. Our Civil Service at the moment is comprised of 1,715 employees; 1,000 of which are Caymanians on permanent and pensionable terms, 345 are engaged on overseas contract terms, 177 engaged on local contract terms and 193 engaged on temporary terms. The ratio of Caymanians to non-Caymanians is 61:39.

Comparing the strength of 1,715 employees to an establishment of 1,899, the Service currently has a vacancy rate of 9.7 per cent. These figures change from day to day but it is a known fact that the Service experiences anywhere between 10 per cent to 12 per cent of vacancy levels each year. So, this is a group of people (I believe), who ought to fix it.

How does this group of people go about fixing all the things that have to be fixed? We heard about the stretch-to-fit Budget. It is my submission that we also have somewhat of a stretch-to-fit Civil Service, in that, there are some people carrying enormously heavy workloads trying to deliver the highest standard of service to a sometimes ungrateful population. Much has been accomplished in the last year, internally. And the Service is very much preparing itself for the challenges and challenging times it must face in 1991 and beyond.

A number of initiatives have taken place and I will just mention them very briefly. In the area of organisational changes, the Personnel and Management Services Division has reorganised itself to include Computer Services, the new Management Services Unit and a new Deputy Principal Secretary (Personnel) is shortly to take up appointment.

The Management Services is a new Unit which commenced its full operation in September, with a Director, three Assistant Directors and three Caymanian understudies. The programme of work approved for Management Services to undertake include some 24 projects which I will read in no particular order of priority. The 24 projects are:

1. A review of the Department of Tourism, local and overseas offices;
2. Review of overtime in all Government Departments;
3. Manpower control;
4. Job evaluation, Job description; Security of all new and regraded posts;
5. An educational review in conjunction with the National Educational Review;
6. A review of the Social Services Department;
7. A review of the Central Funding Scheme;
8. A review of the Personnel Department;
9. A review of the Treasury Department;
10. Review of central purchasing for Government;
11. Review of part-time/temporary staff in the Health Services Department;
12. A review of Government accommodation requirement;
13. A review of Health Services;
14. A review of the Planning procedures in the Fire Department;
15. A review of the Agricultural and Veterinary Department;
16. A Review of Immigration and Customs Departments;
17. A review of the Environmental Health solid Waste Inspections;
18. A review of the Post Office in conjunction with the British Postal Consultants;
19. A review of District Administration;
20. A review of the Legislative Assembly;
21. A review of the Building Controls;
22. A review of Banking Inspectorate;
23. A review of Licensing and Traffic Sections in the Police Department; and
24. A review of the Registrar of Companies.

A very ambitious programme indeed.

This programme has been prioritised by the Government, and the Management Services Unit is now in high steam addressing these projects.

The other fundamental change that has taken place is that the Personnel and Management Services Unit is now regarding itself no longer as the guardian of rules to be administered centrally. It is now regarding itself as a facilitator of improved efficiency throughout Government and is taking on a more proactive role as advisor, assistant and facilitator. In this connection a number of initiatives will be implemented in the near future which will see the Personnel Services Division more actively engaged in service-wide training activities with the view of improving performance and productivity of the Service.

One of the major accomplishments in 1990, in the area of Computer Services was the extension of services to include Cayman Brac. If I could describe very quickly, Sir, the

area of some misunderstanding raised in the debate earlier in reference to the introduction by Government in 1990 of a Contracted Officer's Supplement, commonly referred to as the COS. This supplement was introduced with the pay award effective January, 1990 and incorporated for the first time two expenses of Government that had formally been referred to as Housing and Gratuities. The Government abolished the wide-spread payment of housing allowances and abolished the widespread use of gratuities to contracted officers and substituted therefore a new allowance called the Contracted Officer's Supplement.

Honourable Members may recall that we had a gratuity system in Government that was varied and variable. There were some officers receiving no gratuity, there were some receiving 10 per cent on basic salary, others receiving 15 per cent, and others receiving 20 per cent. During the year the Government had the benefit of an actuarial assessment of what Civil Service salaries were worth, in terms of a pensionable percentage. It was determined that the current level of Civil Service salary represented something of the order of 15 per cent in pensionable terms. The Government therefore decided to latch on to this 15 per cent as some equitable way of compensating contracted officers for their cost of superannuation, cost of resettlement, cost after the end of their service and to include some modest contribution if any was left, towards their cost of housing.

Now, if the Civil Service's pensionable salary was assessed at 15 per cent in pensionable percentage terms, and if the contracted officer received 15 per cent of his salary as a contracted officer's supplement, one could also argue that the fact that one is getting his 15 per cent monthly and the other has to wait until retirement to get his 15 per cent. One could argue quite successfully, that those two 15 per cents are 15 per cents of different creatures.

However, in principal there is some similarity, and the fact that one gets it on a monthly basis is only a matter of administrative convenience in as much as rent has to be paid on a monthly basis as well.

In many instances accommodations cost alone could represent 15 per cent of salary. Therefore, an officer receiving 15 per cent contracted officer's supplement in some instances was not receiving any benefit at all towards superannuation. Their COS was merely enough to cover their contribution to their housing expense. Of course other officers benefited slightly, but overall the cost of Government was reduced and the terms and conditions of service became more equitable to contracted officers, vis a vis permanent and pensionable officers.

So we have a new contract system with no housing allowances, no gratuities and in place of that a Contracted Officer's Supplement. Housing alone used to cost the Government in excess of \$2 million a year. The Contracted Officer's Supplement in 1991 will cost the Government just over \$2 million and we have abolished the expense of gratuities which is a savings of approximately \$1 million.

This too, puts the Government in a position where having abolished housing allowances, it is now in a comfortable position to review and to decide whether it is timely or inappropriate for the Government itself to consider getting out of the housing business, and perhaps disposing of its stock of houses and putting that money back into the Treasury to be used for other prudent public purposes.

I hope that I have quickly satisfied the concerns of Members in respect of that particular matter.

The other major initiative undertaken during 1989 and 1990, was a massive management development program, which was a training initiative through which 250 civil servants were immersed starting from top management right down to junior officers. They all benefited from this wide scale management improvement program. It consisted of a number of seminars, workshops and training sessions and it lasted over a two year period culminating in October this year with a top management workshop.

Most of these interventions have been given publicity as they have occurred. I would therefore like to put on record the success of the program and to say that there is going to be an element of continuation in the future. There is going to be an element of post-implementation evaluation yet to be undertaken, to ensure that we preserve the investment made and we do recognise that training has to be an ongoing subject.

That is a run down on the major initiatives that the Government has addressed its mind to and I would simply like to make two comments in closing.

The first relates to the Prison. I would like to assure the House that a fairly high priority has been given to the construction of the visiting block facility, which is badly needed at the Prison.

The second comment that I would like to make about the Prison, is in reference made yesterday in the House regarding an alleged sexual assault of an inmate.

It is my understanding from the Director of Prison, that recently a complaint was made by a young man on remand in Northward, that his cell-mate had compelled him to engage in certain unnatural acts. Upon receiving the complaint the Prison authorities immediately took the young man to the hospital for the appropriate medical examination and immediately placed his cell-mate in isolation. The medical examination revealed no physical evidence of assault, yet medical tests were conducted. The police were informed and when the medical results became available the results were negative. Copies of the medical report were also filed with the police after having been received. The inmate who had been accused of the alleged offense was warned for possible prosecution and that was how that particular matter was handled. There was, therefore, no evidence to conclude that any such offense had taken place.

Finally, I would like to thank the First Elected Member for Cayman Brac and Little Cayman for his very able summary of the projects undertaken in district administration in 1990. Obviously with the conservative financial position projected by the Government for next year, everyone will have to be participants in that conservative approach.

The level of public spending may have to be reduced in certain areas; this is not something that is new to the Cayman Islands. We have been through periods similar to this in the past and there is no reason to believe that we cannot go through 1991 and beyond with the confidence that is necessary to keep these Islands progressive, stable and free, and economically prosperous.

I congratulate my senior colleague, the Honourable First Official Member, on his Budget Address and on the Budget itself, and I support of course the Appropriation Bill. I thank you.

**MR. PRESIDENT:**  
Official Member in reply.

If no other Member wishes to speak, the Honourable First

**HON. THOMAS C. JEFFERSON:** Mr. President, the Budget Address which I presented to you three weeks ago, was an Address on the state of the economy for the period 1988 to September 1990.

I pointed out that although the relevant hard information on the state of the economy for that period was not available at the time, the Address was prepared in October, the hard evidence that was at hand suggests that growth in the economy was moderately slowed over the previous 21 months. The real gross domestic rate mentioned was 10.6 per cent in 1989, from 15.2 per cent in 1988 and an estimated 9.5 per cent for the first nine months in 1990. These rates are rates that have been adjusted for the effects of inflation.

I further pointed out that the slowdown in real growth appeared to be a result of the general fall off in activity in some of the key areas of the economy, which accumulatively have been reflected in the fall-off of overall economic performance of the economy as reflected in a lower gross domestic product.

I use seven key measures of economic activity that influence changes in the overall performance of the economy to demonstrate that when changes occur in them, growth in the overall performance of the economy is also likely to change in the same direction. The seven measures are: tourism demand for holiday vacation in the Cayman Islands, private sector demand for foreign labour, building construction investment spending, industrial activity, consumer spending, inflation, interest and savings and the amount of Cayman Islands dollars in circulation.

Even an ordinary man in the street who may not be as educated as some of us claim to be, will tell us that these seven factors, in general sense, uniquely categorise our economy. Tourists come here and spend money and fuels growth in our economy. We employ over 6,000 foreign workers in our economy and that helps generate growth in our economy. We build houses, roads, hotels, apartments etcetera, and that generates spending in the economy, which in turn, creates investment and generate consumers spending. We save money in banks and that provides capital for more investments and consumer loans. When inflation is high things go bad; when interest rates are high, things also tend to go bad. When just the right amount of Cayman Islands dollars are injected into the economy, things go well.

There are other factors that influence the growth rate of the economy, such as the growth rate of the labour force over time. The growth rate of the average number of hours worked by the labour force over time and the growth rate of the productivity of the labour force over time. For reasons mentioned in the Budget Address I did not include them. The use of these factors to explain the changes that have been taking place in our economy is standard applied economics used with discrimination, and reasonable and realistic understanding of how the Cayman economy operates and is structured. So, anybody who suggests otherwise, does not understand standard applied economics and how this economy operates.

I also suggested that although growth in the economy has slowed and may continue to slow down as a result of the present oil crises and its inflationary and recessionary impact on the world economy, the slowdown in growth should not be viewed with panic but rather as a test of maturity of political leadership since the slowdown may not be deep and therefore long lasting. Since both external and local financial and commercial business confidence in the economy appeared to continue to remain high, this is a very balanced and objective assessment.

Yet, I cannot say that our response to this aspect of the Budget Address has been overwhelmingly balanced and objective. To be candid, some of us have chosen to question the statistics on which the assessment is based or if it be granted that the statistics are correct, whether any analysis on interpretation of these statistics are correct, the belief is that there has been no slowing of growth in the economy.

The Statistics Office has now completed and released a full set of National Income Accounts Statistics, which is the balance sheet of the economy; which not only confirms the accuracy of the assessment in the Budget Address, but also shows that the slowdown in growth in the economy over the previous 21 months has been more pronounced than my assessment indicated.

May I add, the two units in the Portfolio of Finance and Development, whose task it is to collect and interpret economic and social statistics on the economy, worked independently and arrived at the same conclusion, that the economy had been adjusting itself towards the slower growth path compared to the rapid growth expansion between 1986 and 1988.

Slower growth in any economy is a natural and unavoidable development. No reasonable person in the world expects an economy to continue to grow at a breakneck pace forever. All economies large and small go through recurring periods of expansion and contraction. Some more than others, some more often than others, depending more or less on developments in the world economy, as well as, internal domestic economic policy management.

The industrial economies, particularly the U.S. economy, to which ours is very closely tied, went through six years of rapid expansion from 1982, just after the 1981-82 global

recession, to 1988. Since 1988, there has been a gradual slowing of growth in these economies. If you look at growth in our own economy from 1982-88, you will find that this also was a period of rapid growth expansion.

It is an established fact that growth in our economy, like growth in all small dependence economies, is externally driven. In our case through tourism services primarily, but also through financial services. It is driven more by developments in the industrial economies, over which none of us have any control, and less by internal developments.

Admittedly, what we do by way of managing the economy and how we do it can wreck havoc on the economy. However, it is not sound thinking when we make an exaggerated claim that, even if growth in the world economy slowed, growth in a tiny dependent economy like ours will continue to grow at a breakneck pace. In fact, it is wishful thinking.

The fact of the matter is, that our economy has been going through its second growth cycle since the mid-1980s. The first cycle was a period of rapid expansion which began around 1985 and ended in 1988 to mid-1989. The second growth cycle is a period of slow growth which began around 1989 and has continued to the present. As I indicated in the Budget Address, I do not know how long the present contractual period will last, mainly because of the current instability in the world economy and a new phase of expansion beginning.

As hopefully a good public sector manager, I have great faith and confidence in the professionalism and the integrity of the work of our economists and statisticians who have to collect, analyse and carefully interpret economic data. I do not expect them and neither do I want them, to manipulate or massage economic information just to tell me what I want to hear or what I would like to hear out of fear of shattering my long held biases about growth in the economy.

So rather than listening to my own voice telling me what I always want to hear or would like to hear, the wiser course is to listen to the voices of those of our senior civil servants who by virtue of their advanced professional training, years of practical professional experience and knowledge, combined with long hours of serious analysis and interpretation of economic information are more likely to arrive at sounder and more objective conclusions than my own biases or any of us, our biases are likely to tell us.

The Budget Address also dealt with the information on the labour force as presented in the 1989 Census. I pointed out that the 1989 Census had unearthed some interesting information on the characteristics of the labour force, which we as policy makers ought to pay attention to. One of these pieces of information is, what by world standards is a relatively low rate of joblessness, recorded in October in 1989 by the Census. Some of us have either directly or indirectly or both, questioned the accuracy of the Census results on the unemployment rate. While as in any large scale exercise, such as the 1989 Census, it is possible that errors may be made. As carefully as the exercise may have been undertaken and as carefully as the results may have been reviewed, we must remember that the census was conducted not merely by district to district but rather, and more comprehensively, from house to house in every district and therefore the information obtained is likely to be far more accurate and complete than any district to district unscientific survey.

In addition, the 1989 Census obtained information from 98 per cent of the households across the three Islands, which is very unlikely to be the case with a non-random sampling survey of unemployment. Moreover, the level of idle human resources in the economy has been confirmed by the more recent manpower survey although, this survey admits the level of joblessness might have fallen given the time differences between the two exercises.

However, I want to correct one error in my Budget Address about the female unemployment rate in the North Side District. In my Budget Address I indicated that the 1989 Census indicates that the female jobless rate in the North Side District was 15 per cent in October, 1989. On the contrary, the female jobless rate in that district was 8.5 per cent, not 15, as I indicated in the Budget Address. Just a keypunch typewriters error but even so, 8.5 per cent is still higher than the overall female jobless rate of seven per cent and the total overall jobless rate of 6.2 per cent. East End is the district which has a female jobless rate of 15 per cent in October, 1989, and this can be found on pages 121 to 125 of the 1989 Census.

The Budget Address also put forward these questions. What are the likely near term prospects for growth in the economy, given the present contractive cycle and given the current instability in the world economy reciprocated by the Gulf Crisis?

The Budget Address attempted to address this question; not because I like making good speeches and telling bedtime stories. I addressed the question primarily because given the present instability in the global economic environment, this is a question to which serious and forward-looking business people both local and abroad, frequently call me to provide an answer. And, I am obliged to give them the best available and honest answer that analysis and interpretation of the available data can provide.

I pointed out in the Budget Address that to get some notion as to the likely near term growth prospects in the economy we can look at three scenarios, given a number of assumptions. A base line scenario, a pessimistic scenario and an optimistic scenario. None of which says what will happen is bound to happen. Not being able to make any special claim to divinity, I also pointed out that I do not know which one of these three scenarios will turn out to be correct.

Nevertheless, when I look at our record of forecasting some aspects of growth in our economy, it is difficult to dismiss this record of forecasting as simply bedtime stories or decorative features of a Budget Speech.

For example in March, 1989, when the Portfolio of Finance and Development seriously started making economic forecasts, we forecasted that the average annual inflation rate for 1989, would be 6.9 per cent. In September, 1989, the actual inflation rate was 6.5 per cent and the actual average annual inflation was running at 6.2 per cent. The actual average inflation rate for the whole of 1989, was six per

cent. This was not a flash-in-the-pan success. In March 1989, we also forecasted that the average annual inflation rate for 1990, would be 7.8 per cent. In September, 1990, the actual inflation rate was eight per cent and the average annual inflation rate was running at 7.3 per cent.

Local business leaders who frequently call us to ask for information on the expected and actual inflation rate to use in their forward business plans, highly commend us for what they regard as the remarkable accuracy of our inflation forecast. The point is that if local businessmen recognise the quality of our work and frequently look to us for advice as a consequence, while we the employer of the very civil servants who produce such quality work dismiss it as a Nancy story, we should not complain when some of our more able civil servants leave us for employers who place greater value on the quality of their work.

For some civil servants, it is not so much the paycheck at the end of the month that counts, rather it is the satisfaction they get from knowing that their employers recognise and value the quality of their work.

It is very ironic that on the one hand we are calling upon civil servants to give value for money, yet on the other hand when they give value for money, we dismiss it as a bedtime story simply because what they do happen to chatter about is our own personal biases.

I would just like to complete this if I may?

The Budget Address also outlined a number of important policy initiatives undertaken by Government during the year. One of these was the Manpower Demand Survey. The first draft of the consultants report presenting the results of the survey, has been presented to an evaluation panel set up by the Portfolio of Finance to examine and evaluate the report, to make sure the consultants adequately performed the tasks that we contracted them to do and to advise me as to the acceptability of the report prior to paying the rest of their fees. The technical evaluation panel is being Chaired by the Chief Government Economist.

The panel met this morning and subsequently advised me that the report is very comprehensive and of a high technical quality and therefore, the Government should accept it, subject to some content modification. The report provides some practical and innovative policy recommendations for manpower training and development in the Cayman Islands, using existing local institutions such as the Community College, as far as feasible.

The report also makes policy recommendations and suggests action oriented activities which have performed practical implications for the formal education system - the development of an apprenticeship scheme, human resource training and development in the Civil Service, teacher education and training, technical vocational education and training, among other profound and practical policy recommendations and action oriented activities. The consultants will now be asked to put the final touches to the report for formal presentation to this Government.

Finally, whether we operate with a Budget deficit or with a Budget surplus, the imperatives of the moment call for more greatly improved fiscal planning and budgeting of the resource at our disposal. In this regard, the Budget Address outlined the plan of action for better Capital investment and programming. In terms of fiscal planning and budgeting, the Budget Address also outlined a framework for improving efficiency and effectiveness at both the departmental level and the Portfolio level. The framework states that prudent and stable fiscal planning and budgeting takes place under four priority-setting conditions.

- 1) When Government considers what it is equipped to do best and what the market does best.
- 2) When Government Portfolios, departments, etcetera are fully aware of their specific resource limitations and are obliged to abide by them in planning and budgeting each year.
- 3) When Governments draw distinction between essential spending and optional spending.
- 4) When we all disabuse ourselves of the notion that the first approach to our perceived department problem is to get money in the National Budget or through appropriation to spend on the problem.

Mr. President, I would wish to break at this point.

**MR. PRESIDENT:**

Proceedings are suspended until 2:15 P.M.

**AT 12:53 THE HOUSE SUSPENDED**

**HOUSE RESUMED AT 2:23 P.M.**

**MR. PRESIDENT:**

Proceedings are resumed on the assumption that no present Member will raise the objection that we do not have a quorum. The Honourable the Financial Secretary, continuing.

**HON. THOMAS C. JEFFERSON:**

Mr. President, let me turn perhaps to the heart of the debate. The First Elected Member for Cayman Brac and Little Cayman asked me to explain the \$4 million and whether the country is broke. Now, you, Mr. President, and Honourable Members and the members of the public will have to bear with me for a little while, but I encourage you to pay close attention.

There are two principal methods used in the world today for

accounting purposes. In the private sector the accounting method used is the accrual, or sometimes called the commercial accounting method, which in layman's language means that whenever a business commits itself, an accounting entry is created. If you receive goods from John Brown you owe him money, so you create an accounting entry for purchases of goods showing that you bought goods from John Brown and a double entry is to create an accounts payable account. When you pay John Brown 10, 20, 90 or 2 days later, you reduce your cash which is an asset and you reduce your accounts payable which is a liability. That simply is one example of the accrual or commercial accounting method.

Perhaps, I should give one more example to deal with the sale of goods and how it is handled using this same method. If you sell goods to John Doe, you create an accounting entry for sale of goods or sales. And as he owes you money, the double entry is accounts receivable. When John Doe pays you whether it is 10, 15 or more days later, you increase your cash which is an asset, and the double entry is to reduce your accounts receivable, which is also an asset.

The purchasing account and sales account as explained are the principal items in the profit and loss account of any business in the private sector. If you make a profit for the year, that profit is transferred to retain earnings which is a balance sheet item. Your cash account and accounts receivable account are also balance sheet items. The accounts receivable when it appears on your balance sheet, means that someone to whom you sold goods, has not yet on the date of the balance sheet, paid you.

Now, let me explain the cash method, as it is the method used by the public sector including the Cayman Islands. The cash accounting system is established to record actual revenues and expenditures as estimated for in any budget, including the 1991 Budget. You do not make an entry until you receive cash or pay cash. That is the main principle in the cash accounting system used by the Cayman Islands' Government.

When you receive revenue, meaning cash, for Customs Duty, you increase your cash and show that it came from Customs Import Duty. When you pay cash for office supplies for example, pencils, pens, paper on which you write, etcetera, you reduce your cash and show that the payment is for office supplies. In other words, all entries are made in the cash book. When you receive cash you record it and show it in the cash book entry that you have received cash and what the cash was for, as I have said earlier, for example, Customs Duty, Motor Vehicle Registration fees, whatever.

When you pay out cash, and the meaning of cash includes a cheque, you reduce your cash and show your cash book entry what the payment was for, office supplies maybe or salaries.

The Balance Sheet of a Government would show only cash items, including negative figures if you have an overdraft. There will be cash which represents deposits, bonds, securities, general reserves, surplus and deficit. The Surplus and Deficit Account is equivalent to the retained earnings in the accrual or commercial system. The General Reserves is similar to reserves created for specific purposes in the accrual or commercial system, although in the accrual or commercial method the reserve can be created without having any cash.

Now, let us come to the explanation for the \$4 million. When the Government in 1982, decided to change the BAC 1-11 and lease the Boeing 727-200s, and as I remember it and I am pretty sure I am correct, the \$4 million represented the sale price fetched for the two BAC 1-11s. This \$4 million would be held in an escrow by the bank doing the whole deal with the BAC 1-11s and the 727-200s, and the escrow would be invested in such a way so that at the end of the lease, which I believe is either 1996 or 1997, of the 727-200s, it would accumulate to the estimated appraised value of the two aircraft at that time, either 1996 or 1997. I insisted and we agreed that as the \$4 million for the sale of the BAC 1-11, in fact this money was provided to Cayman Airways by Government to purchase these BAC 1-11s, the escrow should be held in the name of the Cayman Islands' Government's name and the only person authorised to instruct the bank holding the escrow sum of \$4 million was the Financial Secretary.

When we heard last year in August or September of the proposal to sell the 727-200s or the lease, I knew then that the escrow would be released and in keeping with the cash accounting system explained earlier, the 1990 Budget then being prepared, an entry for \$4 million was placed under Revenue - Contributions. We unfortunately discovered too late, Mr. President, that to change the 1990 Budget, the Treasury had decided that the \$4 million, which was never before accounted for in items of the Balance Sheet of the Government, should come straight into the Surplus and Deficit Account and not through the 1990 Estimates. Had we discovered it in time, we would have had, in my view, three choices:

- (1) cut the expenditure by \$4 million; and I knew that was very unlikely;
- (2) borrow \$4 million, and that choice I did not believe to be the correct one; or
- (3) to transfer \$4 million of General Reserves, if the year ended badly.

We have obviously decided to transfer the reserves.

I could go on but I deem that sufficient explanation on the \$4 million and I hope it is clear to all of us in this House, the listening public, and particularly the First Elected Member for Cayman Brac and Little Cayman Brac who requested it. The coffers of the Government were enriched by \$4 million and it was brought forward in the 1989 Surplus, which represented surpluses from previous years as well. Yes, Mr. President, we got the cash.

The First Elected Member for Cayman Brac and Little Cayman also in his contribution recommended I think, that Government, from its Revenue, provide in the 1991 Estimates some funds to the Agricultural Industrial Development Board (AIDB) for Student Loans. I am happy to inform him that there are funds in the 1991 Budget to be taken from Revenue and provided to the AIDB for Student Loans. The

amount of \$120,000 for this year can be found under Head 4 - Finance and Development, sub-Head 19 -012 on page 37 of my copy of the 1991 Estimates. It may be on a different page, perhaps on his. So, we have already provided for it. It is a matter for this honourable House to consider whether it should be approved.

Perhaps, before I get too involved in the winding up of the debate, I should make this point. I wish to thank Members for the acceptance of the contents of the Budget Address in whatever way you choose to accept them. It is a document which has caused me and my Portfolio staff much soul-searching and hard work to put it together. This by far was the most difficult Budget to put together in my short time in the Government, for an array of reasons, which collective responsibility does not allow me to describe in detail.

That is right, collective responsibility, which became an accepted doctrine by the middle of the nineteenth century in the United Kingdom. In that country it means that the Cabinet is bound to offer unanimous advice to the Sovereign, even when its Members do not hold identical views on a given subject.

In this country, this is my interpretation of collective responsibility, it means that the Members of Executive Council must be consistent with the policy of the Government as a whole. The principle is that once the Government's policy on a particular matter is decided in Executive Council, each Member is required to support it in the Legislative Assembly, as they share responsibility for making that policy in Executive Council.

What I have noticed is that the Official Members, when bound by collective responsibility, are not only required to live up to it but have actually toed the line in every respect. We have spoken in favour of policy decisions in the Legislative Assembly and voted accordingly, or, not spoken on the subject but voted as required by collective responsibility.

I have made these comments so that I could ask this question: Has the Member for Communications, Works and Agriculture lived up to collective responsibility in his debate? First he approves the Budget Address in Executive Council, he then comes to the Legislative Assembly and attacks it and infers that I have slanted it in some way, supposedly to make him or others look bad.

**HON. LINFORD A. PIERSON:** Mr. President, on a Point of Order, Sir. What the Member has just said is misleading and I would like to explain, with his permission.

**MR. PRESIDENT:** I think if it is a Point of Order, it is for the Chair to invite the Member to back up his Point of Order first. So, the Member for Communications should make and support his point.

**HON. LINFORD A. PIERSON:** Mr. President, for the Honourable Financial Secretary to say that the Member for Communications and Works is not toeing the line by collective responsibility in that he slanted the Budget Address is incorrect and I would like to show why, Sir.

The *Hansard* will show that I said that the Budget Address was not consistent with the Budget itself in that, the Budget Address has shown an \$18.3 million deficit when in fact, the Budget itself, under the financial statement which reflects the surplus and deficit amount, showed a deficit of \$6.5 million, before the amount of \$7.8 million was applied to it. In the Budget, account was taken of the \$11.8 million brought forward at 1 January 1990, which reflected at the end of December 1990 a surplus or accumulated balance of \$1.3 million, as opposed to the \$1.1 million that was estimated for that period. But my position was that had the Budget Address showed the Surplus and Deficit Account in the same way that the Budget did, it would have reflected a totally different picture.

**MR. W. McKEEVA BUSH:** (inaudible)

**MR. PRESIDENT:** (*Addressing the First Elected Member for West Bay*) Thank you, the Chair will decide that, I am grateful for your advice.

I am not sure that it is in fact a Point of Order, but if the Financial Secretary would like to reply to it, I do not want this to develop into a debate within a debate, but it sounds to me to be more a question of a disagreement of an opinion rather than a Point of Order.

**HON. THOMAS C. JEFFERSON:** Mr. President, the Member said, and I am reading from the *Hansard*:

"I believe that the way in which the financial position was presented in the Budget may have inadvertently created the misunderstanding that was most evident from the debates of previous speakers. For whatever reason, this did not take the form of what I regard as the past standard presentation that we have seen in the previous Budgets, and was not consistent with similar presentations in the past.

In the Budget Address, a deficit of \$18.3 million in the revised 1990 Budget was highlighted. This is what previous speakers have based their debates on when in fact, had the Budget Address included the brought surplus at 1 January 1990, of \$11,791,690, the deficit position before accounting for the \$7.8 million transferred from General Reserves, would have been instead \$6,521,821."



Now Mr. President, what the Budget Address said, and I will read the respective paragraph on page 65, it talks about the revised Revenue position and then it goes on to say;

"As a result, the revised 1990 deficit of \$18.3 million, before 1989 carried forward surplus and transfers from General Reserves, is higher than the original estimate of \$8.1 million. However, when we include the 1989 carried forward surplus of \$11.8 million and a proposed transfer of \$7.8 million from the General Reserve during 1990, we are expecting an overall surplus for the current year of \$1.3 million instead of the original estimated surplus of \$1.1 million."

I do not think those two statements agree, but I leave it to your ruling.

**MR. PRESIDENT:**  
of an opinion being put upon what was said.

I really do not think this is a Point of Order, I think it is a question

**HON. THOMAS C. JEFFERSON:**

Mr. President, as I have just read, I have done no slanting of anything. It speaks for itself. I have basically reported the facts of the position and anyone who wants to examine it, the Budget Address is a public document. I stand by my comments in the Address as in my opinion, they are honest and above board.

There is perhaps a misunderstanding in the mind of the Member for Communication, and that misunderstanding I believe, is that he thinks I work for him. I do not work for him, nor do I have to say what he desires me to say. I have always considered that I work for the people of the Cayman Islands, and as long as I am a civil servant I am going to be honest with them. My role is not one to mislead - for the Government or against the Government. I have worked with politicians for the benefit of the good Government and all the people of the Cayman Islands to progress spiritually, physically, environmentally, financially, internationally and may be all capsuled in the following words - to have an improved standard and quality of life.

There is collective responsibility, there is also individual responsibility of a Member of Executive Council. The Member as head of his Portfolio or department is answerable for all its acts or omissions. He, in this case, the Financial Secretary, must pay the consequences of any defects of administration, any injustice to an individual or any aspect of policy which may be criticised in Parliament whether or not he is personally responsible. I have already explained, I take responsibility for the \$4 million and I have already explained how it happened.

I have never claimed to be perfect and I hope I do not become so crazy as to try to do so. But I have served these islands faithfully for the last 19 years and if all the people of these islands can chastise me with an entry made which was too late to correct, then I think I am not doing too badly.

I have heard too, that some are trying to make the public believe that it is Tom Jefferson who has caused the deficit and that I did not collect the \$4 million. I have already explained that it was already in the coffers. But, for information, it was the Financial Secretary's stand on this \$4 million escrow that caused it to come to this Government. What actually happened was a double accounting. When we found out the double accounting, the Budget was already here. For example, this year, the 1991 Budget preparation and processing was so tight that it was not formally approved by ExCo until the Thursday afternoon before it was tabled the following morning. So there was no time to re-check that not everything was spotted.

I am going to try to get off this subject, Mr. President, but I will add this comment: The glitter of positions in the future, be they Minister of Finance or of Chief Minister of the Cayman Islands, I believe would not allow the Member for Communication to be bound by collective responsibility, but to divorce himself of it in the hope of improving his chances of getting these positions, and to publicly cement his position, he has to make an attempt to discredit me and my Portfolio through the Budget.

Now, I am going to make one more comment and then I am going to quit on this point. I think he should realise that there are more people in this country who have similar ideas of becoming Chief Minister, who are equally qualified and when the day comes we will see what happens. I believe that is enough on that point.

I want to try to explain a little bit more the analysis which was done in trying to show the difference between the 1990 approved figures in the Budget and the revised figures in the Budget. We know that the approved 1990 total figure was broken down into Recurrent or Revenue from ordinary sources of \$98.7 million and loan receipts of \$4 million. When we look at what happened in the revised 1990 position, the ordinary Revenue is \$98.8 or \$98.7, depending on how you round it off and the loan receipt is of 1.6 million. So your total of the ordinary Revenue and the loan receipts for the approved figure was \$102.8 million. When we moved to the revised position it was reduced to \$100.3 million and it is the same \$2.4 difference that we talked about in the Budget Address and I am going to try to indicate how all of these changes within the Revenue netted down to \$2.4 million.

When we look at the recurrent position in the expenditure of \$84.5 million, that is the recurrent expenditure approved for 1990, \$84.5 million. The revised 1990 figure for recurrent expenditure is \$96.4 million. So the increase in recurrent expenditure in the revised Budget is \$11.9 million. That is the increase that we are looking at in recurrent expenditure. This \$11.9 million to take the majority of the items which comprise it: \$9.4 million is for the salary award; \$750,000 is for the Hadsphaltic claim and settlement; \$500,000 is for the Cayman Brac water supply; \$110,000 is for agricultural supplies; \$206,000 is for the communications bunker at Northward for the telecommunications system \$650,000 is also for the Cayman Brac

telecommunication system and Grand Cayman, and \$135,000 for Mosquito Research Control Unit for insecticide. That does not total \$11.9 million exactly, but is close to it.

When we look at the statutory expenditure for the 1990 approved figure of \$6.4 million we see that his revised figure is \$5.9 million, so that the figure is reduced by one half million dollars. On the Capital we note that the approved figure was \$15.9 million and the revised figure for 1990 is \$14.7 million, a reduction of not being able to spend all of the money in the local revenue side of the Capital estimates is a \$1.2 million.

Here again we come to the loan where we Budgeted \$4 million and we revised it at \$1.6 million, so that is the \$2.4 million again. They offset each other in the overall, but if you are speaking of Revenue you have to speak specifically and the \$2.4 million is the difference.

This \$2.4 million of Revenue that we are talking about as being the approved figure is \$2.4 million more than the revised, or whichever way that you want to say it. The revised figure is \$2.4 million less than the approved.

The breakdown of it is that Custom Import Duty has increased over the 1990 approved figure by \$4.2 million, and that comes from volume, as well as the Revenue package that was passed in July, 1990. The result of an increase in tourist accommodation collections is \$1 million. \$2.5 million and that is over the 1990 approved in Stamp Duty, is under the 1990 approved figure.

When we move to the next Head of Revenue, there are 11 Heads of ordinary Revenue, we find that fees which includes things like company fees, hospital fees, and work permits, the net effect is roughly about \$400,000 or \$.5 million which is company fees exceeding the approved figure of \$1.2 million, work permits exceeding the approved figure by something in the range of \$500,000 to \$600,000, and this is offset by hospital fees which were down \$1.4 million from the approved 1990 figure.

And there are the small amounts. We also notice that under Revenue Head 68, which deals with rentals and or leases, that figure was down by \$1.5 million from the approved. That is really because the Revenue which would come to Government under the previous rent allowance scheme, where contracted officers were required to pay 50 per cent of the rental, that scheme being superseded by the COS, which was explained by the Honourable Third Official Member, has fallen away and the offset to this is that a similar amount on the expenditure, recurrent side, is also not there.

Under the loans, which is Revenue Head 69, we budgeted for \$5.4 million, that is loans plus other items in it such as interest on cash balances. That was down because, as I said earlier, we did not draw down the entire loan provision and that loan provision of \$4 million is dealing with the Community College. The system operated by the European Development Fund is that we disperse and do the work, then we claim. That is the reason for it.

Under Miscellaneous, which is a catch-all Head under Revenue, an increase over the approved Budget of \$600,000 to \$1.5 million has occurred; so, it is roughly around \$1 million, it is \$.9 million. Under Contributions, where we budgeted \$8.5 million, the revised figure is 5.4 million, that Head is down by \$3.1 million.

The First Elected Member from Cayman Brac also asked about whether the country was broke. The Budget Address did not say that the country was broke. We would not dream of making such a statement, for we know that if we just consider the amount of property that we have, just that property that is covered by insurance and we have others such as land that is undeveloped, we are talking about something in the range of \$102.5 million. So in that sense we are not broke.

The Budget Address indicates that there is a cash flow problem. It indicates that the revised estimated revenue to be collected in 1990 and what we are talking about Mr. President, is if you have a business in the commercial sector and the explanation that I gave earlier. What we are talking about is that if you have a business, do your earnings for that particular year, meet the expenditures of the same particular year? That is where this \$18.2 million is coming from.

The revised figure for 1990 if we look at it, is estimating that the local revenue is \$98.7 million and that expenditure is \$118.6 million. It is the same principal that we are looking at. What do these 11 Revenue Heads earn in the revised 1990 figure? \$98.7 million. If we wanted to be more precise we could say that the \$18.3 million is really not the correct figure, it should be something close to \$19.9 million, because you would not have included the borrowing, but when we bring into account the borrowings which is \$1.6 million, we bring into account the \$7.8 million in General Reserves and the surplus brought forward from 1989 and beyond. There is a positive balance at the end of \$1.3 million. That positive balance at the end, the Budget Address said, was more than the \$1.1 million in the approved estimates on the same page. That was the only point we were making.

If you look at the 1991 figure, it says that the local revenue earned from these 11 Heads which I have previously described, is \$109.2 million and the expenditure is \$123.5 million. I do not think that I have to do mathematics, but what it is saying is we are spending more in 1991 than the country is earning, otherwise there would not be any reason to borrow. We have decided to borrow \$13.3 million and the Budget Address speaks to it. That is not slanting Mr. President. That is not misleading anybody! It is the facts as presented in the Budget.

The Keynesian Economics, and some others would say now is the time to spend when the country is experiencing a recession and I think that all of us can see the logic of it, but the Budget Address is attempting to say that there is a need for caution. That reason is if 1991 turns out to be a worse year than this Budget projects, we are going to have difficulty and there is no question about that. I am not going to tell you anything different because it would not be true. But whose guess is it? Is it going to be worse? Or is it going to be better? Or is it going to be on? We leave it to the palm readers; I do not have any divine blessing to tell you exactly what the position is going to be.

When we talk about General Reserves, at the end of 1990 assuming that we transfer what is necessary to transfer, the \$7.8 million (this is an estimate because we have to estimate the interest) it will left with \$11.8 million and by the end of 1991 we estimate with the interest accumulated it will be \$12.9 million.

The Budget Address when it spoke of Public Debt, did not say that Government was not responsible for the self-financing loans. Far be it from me to say that. The point we were making by separating the two is that, the self-financing loans, which are the borrowings of the statutory boards which the Government has guaranteed, how in the world could I ever say in the Budget Address that is not apart of our Public Debt. What we were trying to say is that we, while the expenditures in the Budget for the repayment of Public Debt and interest, some of this comes back to us and is recorded in the Revenue section of the Budget, so that the total sum in the 1991 Budget in particular for repayment of Public Debt is offset to some extent cash flow-wise by the sum coming back in Revenue. At the end of 1991, assuming that we borrow the \$13.4 million, the Public Debt that we say is directly related to Government operations will be \$19 million. The Public Debt that refers to self-financing loans will be \$22.2 million.

I hope that I have made it clear. If somebody thought that I said something different, I apologise and, Mr. President, I thank you for your kind attention.

**MR. W. McKEEVA BUSH:** Mr. President before you put the vote, I am wondering whether the Honourable Financial Secretary could clarify whether the \$4 million has been spent. The \$4 million the First Member from Cayman Brac talked about.

**MR. PRESIDENT:** This is most unusual, but if the Financial Secretary would like this as a Point of Clarification before he sits down, fine.

**HON. THOMAS C. JEFFERSON:** Mr. President I believe I did say that the \$4 million forms part of the surplus brought forward from 1989, which is the \$11.8 million and if we were to consider that sum being spent first, before we transferred the \$7.8 million of General Reserves, then it would have been spent.

**CAPT. MABRY S. KIRKCONNELL:** Mr. President, I would like to rise under Standing Order 34(b) to elucidate some matter raised by the Member in the course of his speech.

**MR. PRESIDENT:** This is a Point of Clarification again, yes. I think that we must not have too much of this but do go forward.

**CAPT. MABRY S. KIRKCONNELL:** Mr. President I would like to clarify that, I did not question whether the country was broke or not, I simply wanted the Financial Secretary to explain that it was not because I raised a point in my speech that the country had hundreds of millions of dollars of assets, which were not included in the balance sheet. I think the *Hansard* will bear me out that I said that in this it was past heard that the words bankrupt and broke were passed in this Chamber and on the outside and I was asking him to confirm that it was a cash position and not the country. So I do not want the people in the listening audience to think that I was inferring that the country is broke. It was just the opposite point that I was trying to get clarified.

**MR. PRESIDENT:** My recollection of the situation is that was more or less what was said...

**HON. THOMAS C. JEFFERSON:** I hope that I did not say the First Elected Member for Cayman Brac said that the country was broke, what I believe I said is, the Budget Address never said the country is broke, and I said that he asked a question about the \$4 million. I think I did make some reference of being broke because he was relating to the assets which the Government used.

**MR. PRESIDENT:** My recollection of it is that the First Elected Member for Cayman Brac mentioned or said that it had been said by certain people or it had been said the country is bankrupt or broke. He did not himself ask that question nor did you in fact, imply that he had put it that way.

I am sure that is a very well deserved tribute. I shall now put the question on the Second Reading of the Appropriation (1991) Bill, 1990.

Would those in favor please say Aye? Those against no.

**QUESTION PUT: AGREED**

**THE APPROPRIATION (1991) BILL, 1990, GIVEN A SECOND READING. THE BILL STOOD COMMITTED TO THE STANDING FINANCE COMMITTEE.**

**HON. THOMAS C. JEFFERSON:** It is time to have some coffee, Sir, but we have reached the end of the business, so I would move the adjournment of this Honourable House until Monday morning next, when I believe we should be meeting in Finance Committee to consider the Appropriation Bill which is now being referred to and I would suggest, subject to what the Members say, that we meet at 9 o'clock and get on with it.

**MR. PRESIDENT:** Do Members generally agree? There are one or two other items of business for the House, but I think the custom is to get Finance Committee through first. So are we agreed 9 o'clock on Monday morning?

**MR. W. McKEEVA BUSH:**  
agree, Sir.

If we can get ExCo to agree, they seem to be in disarray, but we

**MR. PRESIDENT:**

I think you can take it that the leader of Government Business is speaking on behalf of the Council. The question is then that the House do stand adjourned, but the Finance Committee do commence at 9 A.M. or next Monday. Would those in favor please say Aye. Those against no? The House is adjourned accordingly.

**QUESTION PUT: AGREED**

**AT 3:19 P.M. THE HOUSE STOOD ADJOURNED UNTIL THE CONCLUSION OF FINANCE COMMITTEE'S CONSIDERATION OF THE 1991 DRAFT ESTIMATES AND THE APPROPRIATION (1991) BILL, 1990.**

**MONDAY  
10TH DECEMBER 1990  
3:02 P.M.**

**MR. PRESIDENT:**  
Cayman.

Prayers by the First Elected Member for Cayman Brac and Little

**PRAYERS**

**CAPT. MABRY S. KIRKCONNELL:**

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 we may be enabled faithfully to perform the responsible duties of our 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 the light of His countenance upon us and give us peace now and always. Amen.

**MR. PRESIDENT:**  
Honourable Third Official Member.

Proceedings of the Assembly are resumed. Papers. The

**PRESENTATION OF PAPERS AND REPORTS**

**THE CAYMAN ISLANDS GOVERNMENT'S MISSION STATEMENTS**

**HON. J. LEMUEL HURLSTON:**

Mr. President, I beg to lay on the Table of this Honourable House a document entitled, The Cayman Islands Government's Departments Mission Statement.

**MR. PRESIDENT:**

So ordered.

**HON. J. LEMUEL HURLSTON:**

Mr. President, in February 1990, the Government Minute on the Public Accounts Committee on the Auditor General's Report on the Accounts of the Cayman Islands Government for the year ended 31st December, 1988, was tabled in this Assembly.

The Government in its Minutes, expressed the intentions to compile a series of Mission Statements of all Government departments into a single document and to make this document available to Members in due course.

These Mission Statements represent the result of a series of management workshops organised by the Personnel Training Unit of the Government in conjunction with the United Nations Development Programme. The intervention commenced in October 1988, and was facilitated by Doctor A. Armstrong of Oprey Armstrong Management Associates, and Dr. E. Jones, Dean of the Faculty of Social Sciences at the University of the West Indies.

Since the commencement of the programme, a number of training interventions have been delivered to various levels of staff within the Government with over 220 officers having taken part.

In addition to the Mission Statements, Principal Secretaries and Heads of Departments were also requested to produce for their Portfolios and Departments the following additional document, to include; Stage I, the development of an original Mission Statement; Stage II, the development of Unit Goals; Stage III, an identification and assessment of facilitating and inhibiting factors; Stage IV, the identification of key result indicators of effectiveness; Stage V, generating specific unit objectives; and Stage VI, the establishment of controls.

The purpose of collecting and recording this data is to develop skills in defining goals and planning works with peers, subordinates and supervisors, thus enabling a process of managing and controlling the achievement of targeted outcome. In other words, Sir., management by objectives. However, in order to be effective, there must be a consensus of agreement at all levels, that this document when compiled by departments and sections, will be an integral part of the overall strategy and policy of the Government. When all departments have produced this information it will be added to the present document and re-circulated to Members of the Assembly.

This form of management and subsequent development of this information does not mean it is inflexible. On the contrary, it is a working document to be modified as circumstances alter. For example, in October of 1990, a further three day workshop involving top management, reviewed the developments of the past and present, and produced guidelines for the future with particular reference to the next three years. This will assist the process if Members support the continuation of such a program and regular review. These Mission Statements and supporting documents, if produced collectively and accurately will provide a useful source of information for many of the Government's projects and surveys which are identified each year. Similarly, there is no reason why these statements and objectives cannot be eventually linked to the financial estimates each year in the Annual Report.

Organisational development and performance improvement is an ongoing programme and should always strive for excellence.

Thank you.

## STATEMENTS BY MEMBERS OF THE GOVERNMENT

### STANDING ORDER 30

**MR. PRESIDENT:**  
Tourism, Aviation and Trade.

Government statements. The Honourable Elected Member for

**HON. W. NORMAN BODDEN:**

Mr. President, pursuant to Standing Order 30, I rise to make a statement on a public matter for which the Government as a whole is responsible, namely, the accounts of Government and the comments upon them contained in the Report of the Public Accounts Committee, which was laid on the Table of this Honourable House on Wednesday, 28th November, 1990.

In making this statement, I fully appreciate that the detailed response to that report awaits the formal Government Minutes, which will be prepared and laid on the Table of the House within three months as provided for by Standing Order 74, sub Order 7. However, Government believes that there are certain matters in the Report which merit an immediate response and I am therefore making this statement in order to deal with them. The function and purpose of the Public Accounts Committee is, (we believe) accurately set out in *Erskine May*, on page 661 of the 21st Edition. There it states; "The Committee does not seek to concern itself with policy; its interest is in whether policy is carried out efficiently, effectively and economically."

Government believes that the Public Accounts Committee has not adhered to this, but has indeed concerned itself with policy in an improper and sometimes hostile manner. I will deal with that in detail in a moment. Before doing so, I must also comment on the language and style in which the Report is presented; it is throughout, aggressive and extravagant.

Government believes firmly that this type of language is inappropriate for the report of a Parliamentary Committee. Such reports should be balanced, restrained and businesslike; rhetoric Mr. President, is no substitute for content.

I will now list some of the cases where the Committee has sought to involve itself in policy, contrary to the passage from *Erskine May*, referred to above. An example of this, is paragraph 48 of the Report which states, and I quote: "With respect to the planned transfer of the Vehicle Licensing and Inspection Department to the Central Funding Scheme, your Committee records its resounding objection. We see this as an exercise in futility and one which will further compound and complicate the mess at the Central Funding Scheme.". This passage is also an example of the inappropriate style, I referred to above. Another example is the comments on the Planning Law, in paragraph 5.

While Government, in fact, agrees with observations in that paragraph, this is not the proper place to deal with such matters. They are not related to the accounts in any way, nor, do they arise from the Auditor's Report.

There are other examples, but rather than to single them out, I will deal with them shortly, when I consider other ways in which the Committee has exceeded its function and authority.

'Misrepresentation of Evidence', I shall now deal with one disturbing aspect of the Report. Its style and manner is particularly, inappropriate where the evidence of witnesses is misrepresented or ignored. There are several examples, but two will suffice at this stage; Firstly, in paragraph 37, the Committee states that it shared the disappointment of the Accountant General that the vote control procedures and accounting standards appear to have worsened in 1989. However, the Accountant General expressed no such disappointment or opinion. In the Minutes of 15 October 1990, the Accountant General is recorded as noting disappointment that vote controls were not being kept up to date...

**MR. TRUMAN M. BODDEN:**

Mr. President, I would like to take a Point of Order in relation to this. It has naturally caught me by surprise, I did not know what he was coming on...

**MR. PRESIDENT:**  
being made or the content of the statement?

If this is a Point of Order to do with the fact that a statement is

**MR. TRUMAN M. BODDEN:**

As to the fact of making that statement.

**MR. PRESIDENT:**

If the Member will accept, I think this is most unusual because a statement is being made in accordance with notice. If the Member insists on continuing, I think he has a right to.

**MR. TRUMAN M. BODDEN:**  
it, Sir.

If I have a Point of Order, I think maybe you should hear me on

**MR. PRESIDENT:**

No, I am sorry. This is a personal statement being made under the Order and given notice. I think it is the matter for the Member to give way on this.

**MR. TRUMAN M. BODDEN:**  
by Government?

Could I just ask you, is this a personal statement or a statement

**MR. PRESIDENT:**

He said at the beginning, it is a statement by a Member of Government. That is Standing Order 30. Was that the point?

**MR. TRUMAN M. BODDEN:**

No, not at all. I was going to take a Point of Order, that as you referred the House earlier to Standing Order 74(9), it states very clearly the Report of the Public Accounts Committee shall be deemed to have been agreed to, and I would submit that on that basis it has to follow the procedure and wait for the Government Minute.

**MR. PRESIDENT:**

I am sorry, I do not think you have a Point of Order. This is not a question of the Committee's Report being agreed to. That has happened. This is the Government making a statement on matters for which it is responsible, which are the public finances. That is a different thing.

**MR. W. McKEEVA BUSH:**

On a Point of Order, Mr. President. The Member is making a statement on the Public Accounts Report and that was deemed to have been accepted by Government the day that we tried to debate it. The Chair ruled that we could not debate it because it was accepted by the House. It was their responsibility at that time to object to it.

**MR. PRESIDENT:**

Thank you. I have taken what you have to say, but it does not alter the fact that a Member of the Government makes a statement on a public matter for which the Government is responsible under Standing Order 30. That is what is happening, and in accordance with all such matters a personal statement or a Government statement, I have examined the text and satisfied myself that it is in order under Standing Orders.

**MR. W. McKEEVA BUSH:**

I can agree with you that under Standing Order 30, a Member of Government can make a statement. But the Member now is objecting to the Report that the House accepted. I cannot see how we are going to get around that fact. We tried to debate it and give them a chance to reject it or accept it. Under the relevant Standing Order, the House was deemed to have accepted the Report. Now the Member is objecting it in a round-a-bout way. In a way that we can hardly question it, at that. I would...

**MR. PRESIDENT:**

I am sorry, I have heard your Point of Order. You have repeated it. I have understood your point and I have ruled that this is a statement by a Member of the Government and it is entirely proper.

**MR. W. McKEEVA BUSH:**

All right, I accept your ruling, Mr. President. But I want to give notice that I am going to move for the suspension of Standing Order 30, under Standing Order 83, so that we can debate that statement.

**MR. PRESIDENT:**

You are entirely entitled to move such a motion, but the Member should now finish the statement.

**MR. W. McKEEVA BUSH:**

I just want to give you notice.

**MR. PRESIDENT:**

Please continue.

**HON. W. NORMAN BODDEN:**

Thank you, Mr. President. In the Minutes of 15th October, 1990, the Accountant General is recorded as noting disappointment that vote controls were not being kept up-to-date in only ten Departments. Far from saying that the procedures had worsened, he expressly stated that they had improved.

The Minutes recorded him as having said, and I quote: "The vote control system was revised last year and a seminar held for staff training on the new procedure. The response in maintaining vote controls in 1989, was better than the previous year." He then went on to note, that where there were deficiencies, they tended to occur where there had been staff changes and sometimes a lack of supervision. Moreover, the Accountant General in his Report, far from stating or suggesting that accounting standards appeared to have worsened, detailed at length a number of improvements in financial control. And, I would refer to pages 19 and 20, of his Report.

The second example to which I will refer, is in paragraph 26, where the Committee registered its dissatisfaction with the nonchalant way in which Government surplus funds are invested at present. Again, this is not the type of language one expects in a report. But more importantly, the finding was not in any way supported by the Report of the Accountant General. His evidence before the Committee are the comments of the Auditor General. The Accountant General in his Report recorded that, and again I quote:

"A major improvement was also made in the control and investment of Government cash balances, through the introduction of a systematic Cash Flow Control System. This involves regular forecasting of revenue prospects and expenditure patterns based on an historical analysis, together with better negotiation of interest rates with financial institutions. It is estimated that an additional \$1.5 million was earned in additional interest during 1989 as a result."

The Accountant General supported this statement in his evidence before the Committee on 15th October, telling them again, that Government had improved the amount of money earned on investments; that there are written guidelines for such investments and noting that the current in-house investment system was in his view, satisfactory.

Finally, although the Public Accounts Committee saw fit to comment on this and to criticise performance in this area, there is nothing in the Report of the Auditor General on this aspect at all. The Committee, under the Standing Orders, is supposed to be considering his Report. There are several areas where the Committee, far from following the Standing Orders and considering the Auditor General's Report have taken up matters on their own.

Their comments on deferred payments for instance, in paragraphs 21 to 25, have no basis in this year's Report of the Auditor General. This was a matter dealt with last year and fully explained in the last Government Minutes. Secondly, the Committee's comments on public sector debt are similarly not based upon the Auditor General's Report and represent a false and misleading picture that is not supported by any of the professional evidence.

Indeed, when the Committee raised this with the Accountant General, noting that the statement of public debt in the accounts does not show future repayment impacts, Mr. Bicknell noted that while this was an important matter it is not a part of the accounts. He suggested that this should be looked at in the Budget presentation. Nevertheless, the Committee wrongly persisted in raising in their report the debt issue which is a policy issue and not an accounting issue.

This is not the only instance where the Committee have gone outside the Report of the Auditor General, and accordingly, outside their proper functions in order to raise policy matters of a budgetary nature. For instance, in paragraph 28 and 29, they expressed concern at the growth of Recurrent Expenditure, that is, of course, a matter for Finance Committee and not for a Committee on Accounts. The criticism is also misplaced because the Members of the Public Accounts Committee are all Members of the Finance Committee, and have all shared in the responsibility for any such increase by voting the funds.

Mr. President, this is 1989, we are talking about, so that there can be no suggestion that this is in some way to do with Government Motion No. 3/90. What is particularly, regrettable about this passage in the Report, is the way that the Committee has sought to put the onus upon the Accountant General to explain the increase. This is neither a matter for which he is responsible, nor, one over which he has any control.

Finally, on this subject, the Committee purports to claim control over the financial policy of Government and goes so far as to state that, and I quote: "Your committee stops short of recommending a moratorium on increasing Recurrent Expenditure at this point. Suffice it to say, however, that any significant increases must be convincing beyond a doubt to future Public Accounts Committee Members." This is again a function of Finance Committee and of this House when considering the Budget, and not of the Public Accounts Committee.

Another area with which the Committee dealt, but which is not to be found in the Report of the Auditor General, is Cayman Airways. Again, they have insisted upon dealing with policy matters, such as, the acquisition of new equipment. Again, this seeks to take over the role Finance Committee by purporting to have the power to approve the level of subsidy. They made damaging value judgments; describing the airline as financially troubled, without taking evidence on that and referring to the precarious nature of the company's accounts as described in the Auditor General's Report, when the Auditor General gives no such description. Indeed he did not refer to the Cayman Airways accounts at all in his Report. They described the shares of the company as owned by the public, which is inaccurate.

Finally, on this Head, they called upon the Accountant General to exercise his authority to arrive at a reasonable estimate of these shares; a task that he has no means of performing and which is contrary to the Committee's assertion, quite outside his authority or function and is not a step required by the Auditor General.

There are many other examples. The Accountant General is criticised in paragraph 95 to 101, for the view that the Internal Auditor should be responsible to him. It is suggested, without any foundation in the Minuted evidence that this is unethical. The Committee describes the Accountant General's views in this area as incomprehensible and purports to take issue with the Accountant General's comments on the Auditor General's independence, when he does not appear to have made any such comments at all.

In fact, it was the Government Minute which suggested that the Internal Auditor be answerable to the Accountant General. The Public Accounts Committee's Minutes expressly record that the Public Accounts Committee, and I quote: "...accepts the Government minutes and seeks an update.". It appears to have been during the course of that update, that the Committee decided that this was in some way inappropriate. The Accountant General appears to have attempted to meet their concerns. What the Minutes record is this, and I quote:

"The Committee expressed the view that it would not be appropriate for the Account General to be the Controlling Officer for the section. Mr. Bicknell, who is the Accountant General, expressed, that



in view that the Government is relatively small in size, the section should come under the ambit of the Audit Department."

Mr. President, there is nothing wrong with that. In fact, it was not Mr. Bicknell, the Accountant General, who was insisting on keeping responsibility for the Internal Audit Unit. There was no need for the Committee to question the ethics of the matter at all and, it is unfortunate that they chose to do so. Moreover, they took issue with what they alleged to be the Accountant General's comments, on the independence of the Auditor General's when the Minutes did not record any such comments by him at all.

It was the Auditor General who appears to have raised the issue and stated that he did not want to be responsible for the Internal Audit Unit because he seemed to fear that would compromise his independence.

It is illustrative of the attitude shown throughout the Report that the Committee expressed itself to be disturbed by the delay in establishing the Internal Audit Section. But neglects to comment upon the evidence that the two posts have been filled and the new Internal Auditor is due to arrive in the new year.

I have listed these instances to illustrate the combative attitude displayed by the Committee even in quite small matters. It is worth noting however, that the bulk of their deliberations and of their reports is the vote to the IHC contracts. The Auditor General assigns four pages of his Report to this issue. His total Report is 31 pages, not counting the appendices.

The Committee deals with it in paragraph 58 to 81. They took evidence at length on three separate occasions. However, in their reports they ignored or omitted significant aspects of the evidence. One example will suffice. They stated that, and I quote: "We were disturbed upon learning that the advice from the Attorney General was not fully accepted by IHC and that the Portfolio had not returned the draft contract to the Attorney General for advice before signing.". It is of course for the Portfolio and not for the contractor to accept the Attorney General's advice. This is after all a commercial negotiation. More importantly, the evidence recorded in the Minutes is that after his initial comments, and I quote: "A further revised contract was submitted to him, that is, [to the Attorney General by IHC through the Portfolio on the 20th March, 1990] this further draft he approved subject to one amendment."

Although, the Attorney General had not seen the final version, and could not say whether that amendment was incorporated in the contract, the Principal Secretary gave evidence that she had every reason to believe that the final copy was in keeping with his recommendations. It is the Government's understanding that it is indeed correct.

The evidence taken before the Committee, further makes it plain that only one significant recommendation of the Attorney General was not accepted and that this was done on the basis of the Members considered view of the practical reality of the situation.

The point was not a legal one and the Committee was provided with a memorandum from the Attorney General to the Honourable Member for Health, in which he stated:

"I have reviewed this document, [that is the amended contract] and it is satisfactory from a legal point of view. The question of the recovery of payments raised in paragraph 10 of my notes of 7th March, has been omitted. I was instructed by your Principal Secretary that you were satisfied that the information, etcetera, generated as the project progressed would be sufficient value for the money paid out. That is a judgement for you and not a legal question, and I therefore, raise no objection to that point not being embodied in the contract."

In any event at the end of their exhaustive review of IHC, the best the Committee could have come up with are the following, which I quote from their Report: "We have not been able to establish clearly, that in the words of a previous Committee Report on the 1987 accounts, partiality or worse has not occurred in this case.". Mr. President, they have not been able either, to show any improprieties. The time has come for them to admit that and get on with their proper business.

There are other matters but these can wait for the Government Minutes. It is Government's hope that in the meantime the points made in this statement will assist the Members of this House and the public in evaluating the Public Accounts Committee Report.

Thank you.

**MR. W. McKEEVA BUSH:**

Mr. President, under Standing Order 83, I would like to suspend Standing Order 30, to be able to debate the statement made by the Member.

**MR. G. HAIG BODDEN:**

Mr. President, I would like to second that Motion.

**MOTION TO SUSPEND STANDING ORDER 30  
TO ENABLE THE STATEMENT TO BE DEBATED**

**MR. PRESIDENT:**

The Motion to suspend Standing Order 30, is moved and seconded. I suggest that we take the break before we proceed as we are quite late. We will break for fifteen minutes. Copies of the statement should be available as it was tabled.

**AT 3:37 P.M. THE HOUSE SUSPENDED**

## HOUSE RESUMED AT 4:00 P.M.

**MR. PRESIDENT:**

Proceedings are resumed.

I think all Members now have a copy of the statement made by the Honourable Member for Tourism. My reference earlier of tabling, was not quite accurate. But it is of course part of the proceedings of the House, copies should, therefore, be available as soon as they can be.

The Motion has been moved and seconded to suspend Standing Orders, to enable debate on the statement made by the Member for Tourism. Would the Mover wish to speak to his Motion.

**MR. W. McKEEVA BUSH:**

Mr. President, I am moving this Motion to get the suspension, because in a statement such as that one that was given, we on this side need to give our side of the story.

In other words, we need to correct the bias views of Executive Council as stated in the statement. I have not been able to read the statement fully, because it was just handed to me. But it contains very offensive..., not only offensive, but combative language. It is not only combative language, but it is very inaccurate and one-sided, of course, to suit the Executive Council Members.

For instance, the Member making the statement on behalf on Executive Council read from *Erskine May*, that the Public Accounts Committee does not seek to concern itself with policy. Its interest is in whether policy is carried out efficiently, effectively and economically. As I said, in their biased view they would not have read further the aspects of the Public Accounts duties. We all know that the Public Accounts Committee is one of the most profound Committees in Parliament; charged with examining all aspects of the Public Accounts. What the Member should have continued to read from *Erskine May*, to be fair....

**MR. PRESIDENT:**

Sorry. Could I interrupt you for one moment? This Motion is

about suspending Standing Orders, you are drifting into the merits and arguments of the debate that you hope to achieve to get. So, could I ask you to stick to your reasons for going for a suspension.

**MR. W. McKEEVA BUSH:**

Yes, Sir that is why I am attempting to make a point reading

from *Erskine May*. Because I need to make Members aware, in case they do not already know, what the duties of the Public Accounts Committee are. *Erskine May* says; "The Public Accounts main function is to see that public monies are applied for the purposes prescribed by Parliament..., that extravagance and waste are minimised; that sound financial practices are encouraged in estimating and contracting; and in administration generally, the Committee also, has a particular duty to look at excess votes. It fully states that Mr. Chairman. The Member said that we were out of bounds in our examinations. The Member did not read the evidence and he could not have known what the Public Accounts Committee took.

The Committee also considers memoranda submitted by the controllers, which are the Accountant General and the Auditor General - as I understand it - either on their own initiative or in response to requests made by the Committee. The controller and the Auditor General are required to take into account any proposals made by the Committee for examination in determining the program of economy, efficiency and effectiveness.

Mr. President, how could anybody in their right mind, with fairness as a foundation, say that the Public Accounts Committee was out of its bounds. I submit to this House that we have every right to question what we did, and that we should move to suspend Standing Orders in order to debate this very biased view of the Executive Council.

I do not think that I am going to get it, seeing the composition of the House. But I can say this, if they are man enough let us debate this Report. If you are man enough, let us debate this so that we can use this evidence before the House. And we want to show this House how Mr. Jim Conti, brought his brother and wife down here and charged it to Government.

**MR. PRESIDENT:**

You are getting into the matter that you intend to debate later.

**MR. W. McKEEVA BUSH:**

I am finished, Sir.

**MR. PRESIDENT:**

Thank you. Does any other Member wish to speak? The Third

Elected Member for George Town.

**MR. TRUMAN M. BODDEN:**

Mr. President, this turn of events moved by Government is so

unusual that I think this is perhaps one of the few good times when Standing Orders should be suspended because of the extreme importance of the matter.

What should be interesting, is the fact that the Public Accounts Committee includes five Members of which one is the First Elected Member of Cayman Brac and Little Cayman, along with three other Members and myself. Exactly how much importance is placed on that Report will show when we come to decide whether we should waive the Standing Orders in relation to dealing with it. It obviously is very important and as the Member moving this says, if Government is really serious then they should be man enough now to debate it and to go into some detail on this statement.

You can probably appreciate, that we have only received copies a few minutes before we resumed after the break in the Legislative Assembly. So, I have not had chance a beyond that to read it. I would submit that this is something that the House, in the public's interest should find important enough to waive the Standing Orders and go ahead in debating this important issue.

**MR. PRESIDENT:** The First Elected Member for Cayman Brac and Little Cayman.

**CAPT. MABRY S. KIRKCONNELL:** Mr. President, the Motion before this House to waive Standing Orders, is an important issue. But it is clearly set down in the Audit Law, that the Public Accounts Committee's Report on the Auditor General's Report will be debated when the Government Minutes are presented to this House some 90 days afterwards. That is clearly set down in Law.

I see no reason why we should deviate from the normal procedure which at that time we will know what Government's intentions are in implementing other provisions. Because there are many requests and provisions in the Report which were not mentioned in this Statement. To debate it now, we could not debate the Public Accounts Committee in its entirety. I think it would be just a duplication of effort and I do not see where we can benefit by taking the time of this Honourable House at this time. Thank you, Sir.

**MR. PRESIDENT:** The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:** Mr. President, the House should suspend Standing Orders so that we may debate the statement just made by the Member. The Statement was most unusual as he has done exactly what the Member from Cayman Brac and Little Cayman referred to as, "deviated from the normal course of events." There is a provision in the Standing Orders for the Public Accounts Committee's Report to be answered by a Government Minute any time within three months.

The Member for Executive Council seemed to have become over zealous in getting back at a duly constituted Committee of this House. I think his statement should be debated particularly in that, the statement purported to say that the Public Accounts Committee did not have a right to make their Report in the manner in which they did and did not have the right to use the language they did. When he himself, and in his statement contained what I would call very aggravating language.

It is not unusual for Standing Orders to be suspended and I think whenever there is a matter of grave concern the Standing Orders should be suspended so that these matters may be dealt with promptly. Because his statement is a criticism of the Public Accounts Committee, which in my opinion, could even be a breach of conduct in this House. I have never heard any Committee criticised and catechised in such a manner, and this warrants an immediate putting to right. I certainly, as seconder of the Motion to suspend the Standing Order, feel that this House must deal with this matter now.

**MR. PRESIDENT:** The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Thank you, Mr. President. Although I have heard the House decide that this statement is not to be debated, I rise to say that I think this matter should be debated; that is the statement made by the Member for Tourism on behalf of the Government regarding the Report of the Public Accounts Committee. It is unusual that such an action came about. Certainly, some of the things that were contained in the statement brought into question the accuracy of statements made and that some of the information was unfounded or was not based on fact.

It is my understanding that there could have been many more attachments that were not included at all in the Report, and any statements in it are based on fact and can be proven by that Committee. So, it is not a question about waiting 90 days to debate it when the Government replies, but it is a question now, of democracy taking place and there being an opportunity of fair reply to what has been said. I certainly support the motion, although I have heard the House make the statement that it will not be debated.

**MR. PRESIDENT:** The First Elected Member for Bodden Town.

**MR. ROY BODDEN:** Thank you, Mr. President. I believe that if there was a time when Standing Orders should be waived in order for a debate to go ahead, it is at this time. It certainly would serve the interests of democracy and good Government if the Standing Orders were waived to debate this provocative and belligerent statement as read by the Honourable Elected Member of Executive Council, speaking for the Government.

It is important that the Standing Orders be waived because the statement, or I would call it a debate, challenges the authority of a duly constituted Committee. I believe it also challenges the integrity of the duly elected members of that duly elected Committee. For that reason I believe that the waiving of the Standing Orders would stand us in good state so that we can settle this matter, ease our consciences and establish clearly and unequivocally whether the Public Accounts Committee did exceed their boundaries.

**MR. PRESIDENT:** Does any other Member wish to speak?  
The Honourable Member for Health.

**HON. D. EZZARD MILLER:** Yes, Sir. Just to draw your attention to Standing Order 38 and, if you agree, I would so move.

**MR. PRESIDENT:** Are you in fact moving that the question be now put, because the Chair cannot act under that Order by itself.

**HON. D. EZZARD MILLER:** Yes, Sir.

**MR. PRESIDENT:** Six Members have spoken, I think. It is unusual to terminate a debate. But I think the case has been made for the Motion quite clearly and fully.

**MR. W. McKEEVA BUSH:** The case is being made clearly, but we would wait to hear from the Executive Council. I think that this is an abuse, because we as the Public Accounts Committee have been challenged and we know that we are going to lose the vote but let us debate it, as it is needed to be debated.

**MR. PRESIDENT:** Neither you nor the Chair can compel any other Member to speak, I am afraid, but I take your point. The Standing Order is clear and I have to consider whether it is an abuse of the Rules of the House and I do not think it would be, since several Members have spoken.

**MR. W. McKEEVA BUSH:** Well, you are certainly cutting me out of my right to reply to what has been said.

**MR. PRESIDENT:** Yes, bearing in mind that I think five of the six speakers including yourself, have clearly supported the Motion.... In fact, what I was concluding was that I think the proper way to deal with this is to invite the Mover to reply and then I will put the question.

**MR. W. McKEEVA BUSH:** Mr. President, I am not going to be long, just to reply to the First Member for Cayman Brac and Little Cayman. The reason why we are attempting to debate the statement is, as the Member for Tourism, making the statement on behalf of Executive Council, said that the matter was so important they needed to make the statement. If the matter is that important, with the evidence that we have let us make it public and the only way that it will become public is if we debate it and if they have nothing to fear, they will debate it.., but they are scared. They are running scared, they are hiding from the truth.

**MR. PRESIDENT:** I will put the question then on the Motion that Standing Order be suspended.

**QUESTION PUT: AYES AND NOES.**

**MR. PRESIDENT:** Would you take a division, please Clerk.

**CLERK:**

**DIVISION NO. 41/90**

**AYES: 6**

Mr. W. McKeever Bush  
Mr. John D. Jefferson  
Mr. Truman M. Bodden  
Mr. Gilbert A. McLean  
Mr. Roy Bodden  
Mr. G. Haig Bodden

**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

**ABSENT: 1**

Mr. B. John McLean

**NEGATIVED BY MAJORITY:**

**THE MOTION TO SUSPEND STANDING ORDER 30 TO DEBATE GOVERNMENT STATEMENT DEFEATED.**

**MR. PRESIDENT:** I suggest to Members that we take the next item on the Order Paper, being the First Readings of the two...

**MR. TRUMAN M. BODDEN:** Mr. President, under Standing Order 30, it says that we have a right to ask short questions.

**MR. PRESIDENT:** You have indeed, but I think that was rather superseded by the Motion for a debate. In the interest of freedom, do please go ahead, but it is quite specific: Short questions at the discretion of the Chair.

**MR. TRUMAN M. BODDEN:** Oh yes, there will be two short questions. In light of what the Member has stated in the first paragraph which said, "pursuant the Standing Order 30, I rise to make a statement

on a public matter for which the Government as a whole is responsible, namely, the Accounts of Government and the comments upon them contained in the Report of the Public Accounts Committee which was laid on the Table of this Honourable House on Wednesday, 28th November 1990." My question is whether the Elected Government as a whole is taking responsibility for any irregularities in procedure of contracts mentioned in that Report? I have a second question.

**MR. PRESIDENT:** Could you put your question again, just the actual question.

**MR. TRUMAN M. BODDEN:** What I was asking is whether the Elected Government as a whole is taking responsibility for any irregularities in the procedure for the granting of contracts to International Healthcare Corporation by Government, as mentioned in the Report and the statement that they have made?

**MR. PRESIDENT:** Before that question is answered, I must make two procedural points. First of all, the statement was made for the Government as a whole. It is the Government that is responsible for any contracts or any action in relation to them. The second thing is that I think it sounds partly like a hypothetical question until and if irregularities are proven. So I think that part would have to be an "If" question. If there are any regularities?

**HON. D. EZZARD MILLER:** Mr. President, the answer is no.

**MR. PRESIDENT:** Could we have the second question.

**MR. TRUMAN M. BODDEN:** Mr. President, after that statement, I do not think I really have to ask any more questions.

**HON. W. NORMAN BODDEN:** Mr. President, I am pleased to see that the Third Elected Member for George Town has found something to smile about. The answer is no, the Elected Members of Government do not assume such responsibility. And, I think the point that the Chair made is that this statement comes from the entire Government, not only the four Elected Members of Executive Council. The fact remains that there are other items dealt with in this statement other than contracts.

**MR. PRESIDENT:** I think that the First Elected Member for Bodden Town caught my eye.

**MR. ROY BODDEN:** My question is a more fundamental one, but no less profound, Sir. I would like to ask the Honourable Elected Member replying for the Government if he went through the files prior to making the statement?

**HON. W. NORMAN BODDEN:** No, Mr. President. I am not a Member of the Public Accounts Committee. But I think the statement that has been made on behalf of Government was thoroughly researched; dealing with the Minutes of the meeting which the Public Accounts Committee called, dealing with the Auditor General's Report, and finally, dealing with the Public Accounts Committee Report itself, which it referred to as being laid on the Table on the 28th November. It was thoroughly researched, Sir.

**MR. PRESIDENT:** The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:** Mr. President, in the Report the Member mentioned the style and manner of the Report. Will the Member say what he considers appropriate style and manner for the Public Accounts Committee?

**HON. W. NORMAN BODDEN:** If I am hearing the Member correctly, Sir, did he say the style and manner? If that is what he said, then the style and manner that was referred to in the statement certainly comes from the fact that previous Public Accounts Committee Reports which have been Tabled in this House were not written in that style and language which Government felt it had to respond to.

**MR. PRESIDENT:** Are there any more questions? Otherwise, we will go forward. We will go to Item 4 then, and do the First Readings of the Bill, so that we do not have to suspend Standing Orders at the next Sitting to take the Second and Third.

Bills, First Reading.

## GOVERNMENT BUSINESS BILLS

### FIRST READINGS

#### THE LOAN (DENTAL CLINIC) BILL, 1990

**CLERK:** The Loan (Dental Clinic) Bill, 1990.

**MR. PRESIDENT:** A Bill entitled the Loan (Dental Clinic) Bill, 1990, is deemed to have been read a first time and is set down for Second Reading.  
Bills, First Reading.

### **THE LOAN (CAPITAL PROJECTS) BILL, 1990**

**CLERK:** The Loan (Capital Projects) Bill, 1990.

**MR. PRESIDENT:** A Bill entitled the Loan (Capital Projects) Bill, 1990, is deemed to have been read a first time and is set down for Second Reading.  
Before the Honourable Financial Secretary moves the adjournment, I think our understanding is that we will resume at 10 o'clock tomorrow and that the Draft Report of Finance Committee is in the Members hands or will shortly be.

**HON. THOMAS C. JEFFERSON:** I think the Deputy Clerk has circulated draft copies of the Finance Committee Report and it seems to me Mr. President, that we should carry on with that and do two Bills and finish the matter tomorrow.

### **ADJOURNMENT**

**MR. PRESIDENT:** The question is, that the House do now adjourn until 10 o'clock tomorrow morning.

**QUESTION PUT: AGREED.**

**AT 4:30 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M.,  
TUESDAY, 11TH DECEMBER 1990.**

**TUESDAY  
11TH DECEMBER, 1990  
10:19 A.M.**

**MR. PRESIDENT:** Prayers by the Honourable First Official Member.

**PRAYERS**

**HON. THOMAS C. JEFFERSON:**

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 we may be enabled faithfully to perform the responsible duties of our 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 those 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 the light of His countenance upon us and give us peace now and always. Amen.

**MR. PRESIDENT:** The proceedings of the House are resumed. Suspension of Standing Orders. The Honourable First Official Member.

**SUSPENSION OF STANDING ORDERS 64(7) AND 72(5)**

**HON. THOMAS C. JEFFERSON:** Mr. President in accordance with Standing Order 83, I move the suspension of Standing Order 64(7) and 72(5); firstly, that I may report the Finance Committee proceedings and secondly, that the Report may be laid on the Table without the minutes.

**QUESTION PUT:**      **AGREED.**      **STANDING ORDERS 64(7) AND 72(5) SUSPENDED.**

**MR. PRESIDENT:** Reports. The Honourable First Official Member.

**PRESENTATION OF PAPERS AND REPORTS  
REPORT OF THE STANDING FINANCE COMMITTEE**

**HON. THOMAS C. JEFFERSON:** Mr. President, I beg to lay on the Table of this Honourable House the Report of the Finance Committee for meetings held on the 3rd, 4th, 5th, 6th and 10th December, 1990.

**MR. PRESIDENT:** So ordered.

**HON. THOMAS C. JEFFERSON:** Mr. President, the Committee met earlier on the days mentioned and considered the Draft Estimates for 1991. The Committee did approve the sum set down for Heads 1 through 6 inclusive, without any amendments.

Head 7 was amended twice. Once to reduce the amount under Basic Salary by \$30,480 and secondly, to increase the amount for Public Relations and Publicity by \$17,080 thereby having a reduced total sum for the Department of \$635,696.00.

Head 8 - there was an amendment to it, to increase the allocations on the uniforms by \$1,600 and as a result increasing the sum for the Department to \$1,109,551.

Head 9 through 11 inclusive, the sum set down in the Estimates were approved as stated.

Head 12 was increased by \$122,526 mainly to provide funds to meet a payment in 1991, for the Caribbean Development Bank loan, which was obtained for the Airport facilities. Therefore, the sum for the Department was increased to \$809,426.

Heads 13 through 14 were approved as stated in the Draft Estimates.

Head 15 was amended to provide for Constitutional Commission expenses which is estimated to be \$40,000, and Head 15: Administration - Internal and External Affairs, the sum provided as the result of the amendment was \$786,811.

Estimates and in the Appropriation Law as well.

Head 16 through 26 inclusive were approved as set down in the Head 27 - Education. It was amended to increase the allocation by \$213,452, causing the sum for the Department to total \$13,402,944.

Head 28 through 29 being Administration for Health and Social Services and the Medical Health Department, were approved as set down in the Estimates and Appropriation Bill.

Head 30 was amended to reduce the allocation set down for cleaning materials. That sum is to be reduced by \$22,500 and the overall total for the Department would then be \$2,853,558.

Head 31 through 35 were approved as set down in the Bill and in the 1991 Estimates.

Head 36 - Postal Department. There was an amendment to increase the allocation to the Department by \$64,800 bringing the total for the Department to \$1,117,738. Mr. President, as the proceedings were aired on Radio Cayman, I do not propose to give details of these amendments. I think they are well known to the public.

Head 37 - Public Works Department. There was an amendment to it reducing the allocation for office furniture by \$23,500, thereby reducing the allocation to the Public Works Department to \$4,954,232.

Head 40 - Capital, dealing with vehicle, furniture and equipment was increased twice. Once for mechanical heavy equipment of \$112,100, and secondly, \$96,400. The first being the sanitation truck and the second being a piece of fire equipment. Both were on order during 1990, but recently we received information that those two pieces of equipment will not arrive during this year. So we had to amend the Bill, as well as the 1991 Estimates, to provide funds to pay for them when they do arrive early in the year. It also means that the revised figure in the 1990 Estimates would be reduced by similar amounts.

Head 41 - Capital. One amendment to public buildings was increased by \$164,600, bringing the total to \$10,348,708.

Head 42 and 43 were agreed. The sum for new services of \$4,909,987 were agreed as presented in the Bill and in the Estimates. This caused an increase in the Appropriation Bill to \$116,525,678.

There were five amendments for reducing the allocations in the Estimates which were all negatived by a majority vote, one being the reduction to Head 41-006 dealing with the construction of roads, \$300,000; Head 41-19, \$170,000 dealing with the North Side post office; and Head 41-009 seeking to reduce the allocation by \$507,900; this is dealing with the Agricultural Development Plan.

Head 42-007 there was an amendment to reduce the allocation for the new post office in George Town by \$150,000; Head 42-008 an amendment to reduce the allocation by \$1 million, which is provided for the hospital design works.

The Committee suggested that suspension of Standing Order 72(5) and 64(7) as earlier done in this meeting this morning, should be carried out. This forms the Report of the Committee.

**MR. PRESIDENT:**  
Member.

Thank you. Reports continued, the Honourable First Official

#### REPORT OF THE STANDING BUSINESS COMMITTEE

**HON. THOMAS C. JEFFERSON:** Mr. President, I beg to lay on the Table of this Honourable House the Report of the Standing Business Committee on the Order of Business of the Fourth Budget Meeting of the 1990 Session of the Legislative Assembly.

**MR. PRESIDENT:**

So ordered.

**HON. THOMAS C. JEFFERSON:** Mr. President, the Committee met on Friday, 9th November, 1990, and decided the business at hand, then decided that any future business coming forward for the Committee's attention by means of a Business Paper, should be decided by the Clerk and the Chairman in consultation with other Members. There were a total of ten Business Papers dealt with and the Report of the Committee is the Report presently being laid.

**MR. PRESIDENT:**  
Honourable First Official Member.

Thank you. Government Business. Bills. Reports. The

### GOVERNMENT BUSINESS

#### BILLS

#### REPORT THEREON

#### THE APPROPRIATION (1991) BILL, 1990

**HON. THOMAS C. JEFFERSON:**

Mr. President, I have to report that the Appropriation (1991) Bill,



1990 was considered by the Committee and passed with some amendments.

**MR. PRESIDENT:** The Bill is accordingly set down for Third Reading. Bills, Third Reading.

### THIRD READING

#### THE APPROPRIATION (1991) BILL, 1990

**CLERK:** The Appropriation (1991) Bill, 1990.

**HON. THOMAS C. JEFFERSON:** Mr. President, I beg to move that the Appropriation (1991) Bill, 1990, be given a Third Reading and passed.

**MR. PRESIDENT:** The question is, that a Bill entitled the Appropriation (1991) Bill, 1990 be give a Third Reading and passed.

**QUESTION PUT:        AGREED.        THE APPROPRIATION (1991) BILL, 1990, GIVEN A THIRD READING AND PASSED.**

**MR. PRESIDENT:** Bills, Second Reading.

### SECOND READING

#### THE LOAN (DENTAL CLINIC) BILL, 1990

**CLERK:** The Loan (Dental Clinic) Bill, 1990.

**MR. PRESIDENT:** The Honourable Financial Secretary.

**HON. THOMAS C. JEFFERSON:** Mr. President, I move that a Bill entitled, a Bill for a Law to Enable the Raising of a Loan not Exceeding Six Hundred Thousand Dollars together with the Expenses of the Issue thereof for Financing Certain Specified Capital Projects. This Bill comes as a result of the 1990 Budget which was approved approximately one year ago and indicated that the Dental Clinic would be funded by a loan and the approved 1990 figure was \$600,000.

We proceeded during the year to construct the Dental Clinic with the view that we would put forward this Bill as and when we saw it necessary. The Public Finance and Audit Law requires, that in order for the country to borrow, a Bill authorizing that borrowing must be passed in this House. Therefore, this Bill is now brought with that intention in mind that the funding for the Dental Clinic has to be done by borrowing. As I mentioned earlier the sum has already been approved in the 1990 Estimates. It is just the matter of approving the Bill so that the funds can be drawn down from a bank.

**MR. PRESIDENT:** The question is that a Bill entitled, the Loan (Dental Clinic) Bill, 1990, be given a Second Reading. The Motion is open for debate.  
The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:** Mr. President, I intend to be brief. I will not support this loan. When this matter was brought to Finance Committee I voted against it. This loan proposition started out at \$600,000. We understand that it has now gone over \$800,000. This is being done by a consultant who advised us to build it, now has collected quite a large sum of money from this project. I cannot deal with this! Too much money is going out to consultancy and it is time that it stop. I know that nothing I say here will matter because the Government has the extension cords and it will pass.

**MR. PRESIDENT:** I would ask you not to get into unparliamentary language. I know that phrase has been used before, but I consider it unparliamentary. I would be grateful if we do not use it again.

**MR. W. McKEEVA BUSH:** I will bow to your ruling, Mr. President. The rules are so infrequent, that it is good that we pay attention to them, seeing that this is the last time that you will be here.

**MR. PRESIDENT:** I am very grateful. I have always hoped to improve the standards here, with your help.

**MR. W. McKEEVA BUSH:** Well, I have tried to do that but it is kind of hard sometimes.

**MR. PRESIDENT:** We are in agreement on that.

**MR. W. McKEEVA BUSH:** Mr. President, I think you will see a big improvement when you

leave. I have no more to say on this Bill. I am not going to support it. As I said, we are having too much money going out to this consultancy and I will have no part of it.

**MR. PRESIDENT:** The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:** Mr. President, I too will vote against this Bill, on the principle that the Government seems to have an appetite for loans which cannot be appeased. This particular project we learned recently, has overrun the amounts initially approved in Finance Committee. The most disturbing part of it is that we were told that the services for the professional help and advice has run up to 17.2 per cent, compared to 6.5 per cent for similar projects.

In fact another similar project was identified as having cost only 6.5 per cent. What is even worse, is that the Member speaking on behalf of the Government said that he considers the 17.5 per cent normal to the industry. The alarming part of these loans is the speed with which they are increasing. The 1991 Budget will result in total loans for this country of some \$43 million and this....

**MR. PRESIDENT:** I hate to interrupt you, but this ground has been very well covered in this meeting. Very well covered.

**MR. G. HAIG BODDEN:** All right, Mr. President...

**MR. PRESIDENT:** Do say it briefly. I am not going to stop you.

**MR. G. HAIG BODDEN:** All right, I will sit down. I think the public gets the point.

**MR. PRESIDENT:** Does any other Member wish to speak? It appears that no other Member wishes to speak. Would the Mover wish to reply?

**HON. THOMAS C. JEFFERSON:** With the greatest respect, Mr. President, I do not think it is necessary.

**MR. PRESIDENT:** In that case I shall put the question.

**QUESTION PUT: AYES AND NOES**

**DIVISION NO.42/90**

**NOES: 6**

Mr. W. McKeeva Bush  
Mr. John D. Jefferson  
Mr. Truman M. Bodden  
Mr. Gilbert A. McLean  
Mr. Roy Bodden  
Mr. G. Haig Bodden

**AYES: 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

**ABSENT: 1**

Mr. B. John McLean

**AGREED BY MAJORITY:**

**THE LOAN (DENTAL CLINIC) BILL, 1990 GIVEN A SECOND READING.**

**MR. PRESIDENT:** The Bill accordingly passes its Second Reading. Bills. Second Readings.

**SECOND READING**

**THE LOAN (CAPITAL PROJECTS) BILL, 1990**

**CLERK:** The Law (Capital Projects) Bill, 1990.

**MR. PRESIDENT:** The Honourable First Official Member.

**HON. THOMAS C. JEFFERSON:** Mr. President, I move the Second Reading of a Bill, entitled, A Bill for a Law to Enable the Raising of a Loan not Exceeding Twelve Million, Nine Hundred Thousand Dollars Together with the Expenses of the Issue Thereof for Financing Certain Specified Capital Projects.

I believe it is well-known that capital works is being funded by borrowings, and I do not believe we need to go over that ground. The Finance Committee met for five days discussing and scrutinizing the Budget, the recurrent statutory portions as well as the capital expenditure.

The loan seeks to cover a variety of subjects. These subjects as set down in the Schedule are \$1.2 million for motor vehicles, furniture and equipment; \$2.8 million for Community College and school buildings; \$1.9 million for roads; \$1 million for farm development; \$1.1 million for medical facilities; \$1 million for the purchase of land; \$3.2 million for Government offices and public facilities; and \$700,000 for harbours and docks disaster preparedness, yards, stores and land-fill. These figures are rounded off to the nearest hundred thousand dollars.

I do not believe that I need to add too much more to it.

**MR. PRESIDENT:**  
1990, be given a Second Reading.

The question is that a Bill entitled, the Loan (Capital Project) Bill,

The Motion is open for debate.

**MR. PRESIDENT:**

The Third Elected Member for George Town.

**MR. TRUMAN M. BODDEN:**

Mr. President, this loan Bill of \$12.9 million, which will be the borrowings for all of the major Capital works of the Government this year, has obviously made history. Never before has this country (to the best of my knowledge) been in such a financial position where it has had to borrow all of the funds necessary for Capital works. Very shortly the Government will have enough Recurrent Revenue to pay for Recurrent Expenditure - mainly salaries and the servicing of this debt.

This is going to put the loans of this country (when drawn down) somewhere in the area \$43 million or \$44 million. Unfortunately, generations to come are going to have to pay for this. It is somewhat surprising how lightly the Government has taken the country's bad financial position, and this is probably from what came out earlier in Finance Committee; that a loan does not really hurt the accounts because it goes into one side as Revenue and it comes out the other side as expense. The hard fact is that this full \$44 million has to be repaid and it has to be done mainly by future Governments. What this Government spends, future Governments must pay and the country must pay for.

I am only going to really deal with one item, which I think needs highlighting, and that is the tightness of the financial situation in this country. We are finding \$1.5 million of this \$12.9 million, or probably in the area of 10 per cent, again going for consultancy. That has been well stated in earlier times. A lot of this money is unfortunately wasted with high costs and no product at the end of it, but a lot of paper that many times does not really have practical value. Also, the fact that this Government has to at some stage set a limit on how far we are going to borrow because this cannot go on at the rate it is going; some \$30 million loss in two years. The higher the borrowing goes, the harder it is going to be to repay the loan because the servicing is going to get heavier and heavier. Unfortunately, this Bill will pass and the checks and balances that once existed that may have cut this down some, do not exist anymore. History, too, I think will record this Bill as hopefully, what is going to be the last time that this country is in this position.

Hopefully, there will only be one other Budget by this Government and all I can say is, I hope and I very much hope..., because as this country deteriorates economically we are all going to feel it business-wise and otherwise. I can only hope that we will get some economic sense and some economic tightening when the time comes for that Budget.

I will conclude by stating that any fool can spend money, but it takes a wise man to make it.

**MR. PRESIDENT:**

The Second Elected Member for Bodden Town.

**MR. G. HAIG BODDEN:**

Mr. President, this Bill says, the Government is in trouble. Bad trouble! We are facing right now the worst financial position that this country has ever been in since the 1932 hurricane, when we had to borrow 5,000 pound sterling from the Jamaican Government to repair our roads. Six years ago Government loans stood at about \$15 million. With the passage of this Bill today, because it will pass as the Government is present in all of its glorious array today, this country's loans will reach \$43 million. Three times what it was six years ago.

This is bad management! The largest item in this Bill is the \$3.2 million for Government offices and public facilities; an indictment against this Government. Because for the last six years they have failed to prepare and to provide the office space needed for the Government. We see them renting every little nook and cranny that they can find. It is happening not only to the Attorney General's office; it is happening not only to the Police that are over crowded; it is happening not only with the new Harbour Drive Building; it is all around us.

Six years ago this Government had sufficient office space; had a surplus of office space. But as the service has grown, bad planning by the Government failed to provide the bigger shell for the soldier crab to crawl into. We now find ourselves naked and exposed to the ravages of the financial institutions where we have to go out and borrow these large sums because we need office space. The largest single item, the \$3.2 million, is for this.

They have allowed the situation to deteriorate to such an extent, that where six years ago when the Tower Building was purchased they had a lot of office space and instead of providing by trying to buy the lot next to it where the new building is, so that they could have adequate facilities, they purchased a little piece of land paying \$25,000 (according to the Member for Communications and Works), for each parking lot. This is bad planning, bad management, poor fiscal responsibility.

We see in this Bill \$1 million for medical facilities and it is our understanding that this \$1 million, the greater portion of it will be squandered on consultants. We see in this Bill

\$1.2 million for the purchase of motor vehicles, furniture and equipment. While I agree we may need to replace some of these used vehicles, I am not convinced that some of these vehicle could not be repaired and serve us another year in the hope that in 12 months we will have a new Government that has the courage to do what it has to do; to stop the head-long, collision-course that we are set on.

I recall recently in a previous meeting, how the Government resisted the attempts of the Backbenchers to put some controls on Government's borrowing. The Backbenchers correctly sought to limit Government's borrowing to where it would only take 10 per cent of Recurrent Revenue to service the debts; they were laughed at, they were voted down. Up until quite recently, Elected Members of Government had control of Finance Committee and could prevent this squandering of public funds. Now, the Elected Members that have the courage to reduce spending have been put in the minority and the country is left at the hands of a spend-thrift Government. Left at the mercy of people who borrow and borrow, and spend, and borrow some more.

**MR. PRESIDENT:** I hope you will realise that the Chair is giving this speaker very considerable latitude and that I shall not permit the repetition of these arguments by subsequent speakers.

**MR. G. HAIG BODDEN:** Mr. Chairman, I hope that the subsequent speakers will have other things to say, because there is so much to say.

**MR. PRESIDENT:** I hope so too.

**MR. G. HAIG BODDEN:** There is so much to say on the plight of this country in regard to the loans.

**MR. PRESIDENT:** This is true, but I have to point out that it has been said at great length several times in this meeting. I am giving you latitude deliberately, but please do not abuse it.

**MR. G. HAIG BODDEN:** Mr. President, I will not abuse it. The abuse is the plight of the country, because when we consider this loan and we look at the Budget, we see that the Government is spending a lot of money in areas where there is no return. For example: over \$2 million to consultants; \$8 million to service loans, and in the Budget a few days ago, nearly \$1 million for rent - areas of no return - and the country is sinking fast, financially.

I trust that the public understands that Clause 5 of this Bill put a direct responsibility on our children and our grandchildren - to pay off the debts that are being amassed. Clause 5 of this Bill reads: "The principal monies and interest on the loan issued under this Law are hereby charged upon, and it shall be payable out of the General Revenue and Assets of the Government."

We know that these loans will stretch over a long period of years, or we hope so. It means that in ten or 20 years the people of this country, will still be paying back the money which is being borrowed today, and the four Elected Members of Executive Council, who are the majority in the Government putting forward this Bill will not be here. They will be gone at the next Election, hopefully, very early next year. But the debt will be here. This is where no successive Government can help.

If the present Government simply makes bad policies, they can be changed. But when the present Government accrues debt, it has to be paid and nothing can be done about it. So, not only are we suffering here today, but future generations will suffer from the actions of the Government.

We were told that this is borrowed money. This is what they have the fancy term, "get financing" for. It will also be "repayment financing". I believe that a large portion of the money being borrowed under this Bill, is unnecessary borrowing. I am not saying that we do not need some of the things or we do not want some of the things, but the bulk of this Bill is for unnecessary spending, which we should not be doing when we do not have the funds.

For the first time in the history of this country, we have to go out and borrow the entire amount required for the Capital Projects, while sitting on top of a \$18.3 million deficit. This is a sad situation, and may God help this country.

**MR. PRESIDENT:** Does any other Member wish to speak? Sorry, I could not hear you. Are you addressing the Government..., not the Chair? Thank you.

The Second Elected Member for Cayman Brac and Little Cayman.

**MR. GILBERT A. McLEAN:** Mr. President, I remember as a young man reading a poem, something about the Lady of Niger that went for a ride on the back of the tiger, and at the end of the ride the tiger came back with a smile on its face, but the lady was not riding his back. I have seen a very satisfied smile on the face of the Government during the course of this meeting, and, certainly, during the debate from this side on matters relating to these two Loan Bills. The last one being the one that is presently before the House; the Bill to raise a loan of Twelve Million, Nine Hundred Thousand Dollars. As other speakers before me have said, this is hardly a matter for smiles. In fact, it should bring about concerned expressions - for the Cayman Islands have obviously entered an era that, supposedly, we should never have found ourselves in (as postulated by many) with the surpluses which we had. That being the case, we would never have thought to find ourselves in the position where in order to finance Capital works we have to go and borrow - particularly at such an unfortunate time as that existing in the world economy now which, seeing that our economy is based upon it, has direct effect on what

happens here.

I share the view of the last speaker, that some of the expenditure included in this Loan Bill is unnecessary.... And, that a lot of it is going to fatten the pockets of individuals, who like predators have been sucking on the blood of finances of this country in the form of consultancy. As for roads, there is going to be money paid out again to individuals; we will not get a single road, but we will get a lot of paper saying what roads we must have.

Farm development: \$1 million - consultancies again no doubt. Lots of words. Lots of high-tech laboratories and not one thing in it to help Franklin Smith, Otto Watler or Merchirito Chantlope with a loan for their farms, grounds or whatever we call them.

Medical facilities: \$1.1 million, again large scale parts of that for that ongoing detriment to this country - IHC.

Mr. President, anyone with any sense or concern about this country, and surely, those who have the responsibility to be concerned about it, realising that the people hardly sent any of us [Elected Members] here to recklessly borrow or to spend public funds, should be very concerned about the situation. While there is some money in this Loan Bill that I could possibly vote for, I find so much, objectionable. And taking into account that the total amount is what is being looked at and sought, I shall vote against this particular Loan Bill. That will make no difference of course, as the source of Government from this side has determined that this will be passed, and by the satisfied smiles of the Government this amount will soon be approved, but not with my supporting vote.

**MR. PRESIDENT:**

The First Elected Member for Cayman Brac and Little Cayman.

**CAPT. MABRY S. KIRKCONNELL:**

Thank you, Mr. President.

I rise to speak on a Bill for a Law Enabling the Raising of a Loan not Exceeding Twelve Million, Nine Hundred Thousand together with the Expenses of the Issue Thereof, for Financing Certain Specified Capital Projects.

Mr. President, as I listen to the debate on this Bill here today, I am extremely concerned. Yesterday, I was accused of passing Legislation for this amount, of which I hold in my hand a Motion by the Third Elected Member for George Town, and one of the whereas said: "AND WHEREAS it is recommended that the reduction not recommended to be reused of \$800,000, be left as a reduction of the loan funds to be borrowed by Government." Yesterday, they were proposing that we borrow \$12.1 million. Today, they are saying the Loan Bill should not be passed. I am confused, Mr. President, as to what they really do want.

The Budget which we have passed and they have agreed to, included \$12.1 million of funds which will have to be deficit financing. That was clearly explained in the Budget Address and clearly understood by all of us here. I could have understood very clearly if the Motion which I referred to had eliminated \$12.9 million of Expenditure. Then, I could understand them standing here today saying they would not support this Bill. But, not having sorted out very carefully and agreeing that \$12.1 million of it was justified expenditure... Mr. President, I believe that we must all attempt to conserve. I share their concerns about deficit financing, realising that the more we borrow, the more we have to pay back as it is compounded by the interest payments. I realise that it cannot be paid back in one year. Therefore, the debt will certainly be amortised, hopefully over a long period of time and it will be the responsibility of future generations to pay payments on this. I also realise that it is the obligation of this Government to attempt to stop the arrival of complete chaos in our society and it is through the borrowing of this money, that will provide jobs for many of our people and keep the economy of this country rolling. It is particularly, important in my district. I have stood here and asked, and cautioned that even in the Budget which I have agreed to, the total amount that will be spent by Government during 1991, will not be sufficient to provide the necessary amount of employment that will be required. So, to stand here and say that we could eliminate the total Bill, which we are debating here this morning, I cannot understand how they can come up with that. Therefore, I see the necessity for this borrowing and I support the Bill.

**MR. PRESIDENT:**

The Honourable Member for Education.

**HON. BENSON O. EBANKS:**

Thank you, Mr. President.

I really had not intended to speak on this Bill. I thought that we had heard enough breeze about the Budget during the Budget Debate and in Finance Committee. Of course, if I had really concentrated on who we were dealing with, I would have known better.

I want to just refute a few statements that have been made and put some of the verbiage in perspective. I want first of all to endorse most strongly what the First Elected Member for Cayman Brac had just said, and that is that yesterday, there was total support among the Backbenchers to borrow \$12.1 million. Now, this morning all of this breeze is over a simple difference of \$800,000, because the Bill is requesting authorisation of a loan of \$12.9 million and yesterday they were supporting, as I said, by resolution \$12.1 million in loans.

The truth about the matter is that any reductions which they might have suggested yesterday, were coming from National Projects. Projects of national significance, which of course would trickle down to the districts, and then they were going to take that borrowed money to do 'pork-barreling' projects within the districts. Most of it was slated to go on roads.

The Third Elected Member for George Town and the Second Elected Member for Bodden Town, quite rightly said, that this money would be repaid possibly by other generations. But, this Bill authorises, as I understand it (I thought this gave a specific time schedule but it does not appear to) nevertheless, to the best of my knowledge these borrowings will be for a maximum of 15 years.

The point that I want to make very forcefully, is that much of this total; if and when the money is borrowed the National Debt will stand at \$43 million, is in fact representative of money which was borrowed by the Third Elected Member for George Town and the Second Elected Member for Bodden Town when they were in Government. They are quite right that succeeding Governments and succeeding generations will repay money that any present Government borrowed, unless they are in power for 15 to 20 years, but the same applies to them.

Mr. President, in fact, part of that for example, the Second Elected Member for Bodden Town talked about the purchase of the Tower Building; \$1.3 million of the loan funds is represented by monies still owed on the Tower Building. So he is proving his own point very effectively.

I believe that we explained quite adequately during the course of the debate on the Budget, that of the \$30.1 some-odd million which will be outstanding in loan funds at the end of this year, only \$6.7 million of that relates to central Government. The rest of it, \$23.8 million is owed by Statutory Authorities that are quite capable of generating the Revenue to repay that money. It only gets into the National Debt because Government has in fact guaranteed it. There is every reason to believe that those Statutory Authorities will earn the money to repay those loans plus make contributions to the general Revenue of the country.

Mr. President, we should not forget that even though it is proposed to borrow the \$12.9 million, the Reserves of the country will still stand at \$11.8 million at the beginning of next year; \$11.8 million Mr. President, a lot different from the situation at the end of 1984. That has been quite adequately put into the records of this House in the past, and I will not repeat it again, except only to say, that in my opinion it is the worst situation that the country has ever been in financially.

It is quite right for the Second Elected Member for Bodden Town to say, that the Government had a surplus of office space six years ago. I would go on to say that if there had not been a change of Government in 1984, Government would have been renting more space than they were renting at that time, because the country was on a slide; downwards. It was the 1984-1988 Government, that has brought a necessity to employ more Civil Servants to service the business that is being done here which has continued since, to put this country in its upward trend. He is quite right when he says, that if they had remained in power, there would not have been a necessity for additional office space. I think they would have been able to sell back the Tower Building...

**MR. G. HAIG BODDEN:**  
that. I think the Member is dreaming.

Mr. President, on a Point of Order. I never said anything like

**HON. BENSON O. EBANKS:**

Mr. President, he said that they had surplus office space, and I agree. I am showing him, Sir, that not only has that space been used up, but additional space as well. Because of the growth of the economy, of the country; a growth that was a negative growth when he left office.

The other thing is, I do not know what the Member is getting at when he talked about buying land next door to the Tower Building at \$25,000 per parking space. But I am certain that that cannot be put at the feet of either of these Elected Members here. Regardless, of what might have been paid for that land, the unfortunate situation is that even with the purchase of that additional land there is still insufficient parking space at the Tower Building even for employees - much less the customers. That is the bargain that he likes to brag about.

I am convinced that the borrowing of this money is not putting any undue stress on the economy of this country. It is natural that we would be happier, if we did not have to borrow the money. As the Members quite rightly pointed out, Government from its Recurrent Revenue has sufficient money to pay for its Recurrent Expenditure, that is, all of the salary, all of the maintenance of its buildings and premises and even the maintenance of the roads if we decided not to have any Capital Expenditure. But, the position would be that the economy would suffer the loss of that \$12.1 million which Government is injecting into the economy, and which is providing needed services for the country.

Government had the option to cut back on its expenditure significantly, and it is my view that that was not a desirable alternative because it would have exacerbated the slowing in the economic growth of the country beyond what it is now, and what we do not want to see it fall below. Therefore, we are priming the pump with Government expenditure which at this point we had the option of spending the \$11.8 million in Reserve, or borrowing it. We have elected to borrow the funds to be repaid over 15, 20 or 25 years.

So, Mr. President, that is not a sin or anything to actually be ashamed of. As was pointed out in the debate on the Budget, much of the shortfall in Revenue this year came about because of the impact of the increase in Revenue measures introduced in June, were not felt during this Budget year. At best, Government could have only received half of those benefits, but the truth of the matter is, that more of the Revenue-rich measures did not take effect until January, 1991. Next year we will see the full impact of that, and I believe that by the middle of next year we will all see that may be we have been crying about something that we should not have been necessarily crying about.

Mr. President, the Second Elected Member for Bodden Town, said something to the effect that this is the worst trouble that the country has ever been in financially since the 1932 Hurricane. I am sure that not even he believes that. This country has not been in that situation for many years and certainly it is not so now, and I hope that it will never get that way in the future.

I could go on, Mr. President, but I think that I have put some things into perspective. Finally, Mr. President, I would just like to remind those two Members that they can flap their wings and make as much noise as they want, but I believe the country remembers their stewardship and certainly, knows of the stewardship of this Government. I believe that when they are put in the balance we will measure up

very well against them. So, I have no worry about that. I support this Bill, and as I have said, the money is going to good purposes, not 'pork-barreling', as some Members would want to do. But we believe that if we take care of the necessities, the frills will take care of themselves. I support the Bill, Mr. President.

**MR. PRESIDENT:** Does any other Member wish to speak? Would the Mover wish to reply?

The First Elected Member for West Bay. I was going to suggest that we take the break since I was not sure how many other Members wish to speak. Perhaps we should take a break.

**MR. W. McKEEVA BUSH:** That is what I was rising for Sir, to ask you to take a break.

**MR. PRESIDENT:** I think you have the House with you on this occasion. Proceedings are suspended for 15 minutes.

#### AT 11:37 A.M. THE HOUSE SUSPENDED

#### HOUSE RESUMED AT 12:00 P.M.

**MR. PRESIDENT:** Proceedings are resumed on the Second Reading of this Capital Projects Bill. The First Elected Member for West Bay, I think wanted to speak.

**MR. W. McKEEVA BUSH:** I wanted to speak, but I am giving way to the Third Elected Member for West Bay.

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

**MR. JOHN D. JEFFERSON, JR.:** Thank you, Mr. President. I rise to offer my contribution on the Loan Bill before this House, in which Government proposes to borrow close to \$13.0 million to finance their Capital projects.

I would like to start what I have to say by stating, what a difference one year makes. In 1989, when we were putting together the 1990 Budget, we were able to contribute something in the region of close to \$16.0 million from local revenue to finance or fund Capital Projects - \$16.0 million. This year in the 1991 Budget, it is now necessary to borrow every penny that we are spending on Capital projects.

It is an indication of the extent of Government's mismanagement, (when I talk about the Government I am talking about the Elected Members of Executive Council). They have nobody to blame but themselves, because they are in total control of the finances of this country as a result of their unprecedented moves in the summer. They have control of Finance Committee and it appears that the Elected Members of Government have an unsatisfied appetite for borrowing and spending.

I personally, on the Backbench, object to Government having to borrow for their Capital works. We are not saying Mr. President, that some of the projects or services proposed are not essential. What we are saying, is, if Government had managed its finances properly, it would not have been necessary for us to have borrowed in order to take care of these essential services. The reason why we have to borrow is because of their mismanagement.

The Backbenchers attempted to reduce the amount necessary to be borrowed for these projects. We sat down in an attempt to arrive at a decision on those projects or expenditures that we felt were unnecessary, and also expenditures that we felt the public of this country did not support. I must add, that the First Elected Member for Cayman Brac and Little Cayman was in on the meeting when those decisions and areas were decided upon and recommended to be cut.

We felt that it was unnecessary for us to approve the \$300,000 for sector planning, which we felt was just the MGTP in disguise. And like I said, the First Elected Member for Cayman Brac was there. We also agreed that \$270,000 for the new Post Office for North Side was extravagant and that is the reason why we decided to cut it back by \$170,000 - he was there. He was also there when we agreed to reduce the Agricultural Vote by \$507,900, because he was convinced as we were, that this kind of expenditure on agriculture in the Cayman Islands was unwarranted.

We also proposed to reduce the amount set aside for consultants for the new Post Office in George Town by \$150,000 - he was there Mr. President. He was also there when we decided to cut the \$1.0 million out for the hospital design works. That without a doubt, will be awarded to International Health Care Corporation, like all of the other funds that were approved for hospital improvements. Mr. President, he was there and he agreed with the cut. For him to get up and accuse the Backbench of being confused and that we agreed on \$12.1 million out of the \$12.9 million, that is being proposed to be borrowed.... We are not confused! We know exactly what we want! We know exactly what we were prepared to support and we supported those things that we felt were essential. I would just like to say to the Member, that we are not confused, but he appears to be. Because after agreeing with us on the cuts, to come and stand here, giving Government his support unconditionally, leaves room for concern.

I think personally, that this country is in a very sad shape, when the balance of power lies in the hands of that one Member, who appears not to have a mind of his own.

- MR. PRESIDENT:** I think that is not a very proper expression to use. I would be grateful if you would withdraw it.
- MR. JOHN D. JEFFERSON, JR.:** Mr. President, I bow to your ruling. Maybe I should reword it.
- MR. PRESIDENT:** It would be appropriate to reword it, but I am excepting that you withdraw it in that form.
- MR. JOHN D. JEFFERSON, JR.:** I still say Mr. President, that I think the country is in sad shape, when the balance of power lies in the hands of a Member like the First Elected Member for Cayman Brac.
- CAPT. MABRY S. KIRKCONNELL:** Mr. President, I would like to rise on a Point of Order, Standing Orders 35(3) and (4).
- MR. PRESIDENT:** I think that is a fair point, but I had already required the Member to withdraw the statement he made.
- CAPT. MABRY S. KIRKCONNELL:** I would like to reserve the right of reply after he is finished, Sir.
- MR. PRESIDENT:** I am afraid that there is no right of reply, but you can if you wish, take the Point of Order on being misrepresented, which is the way I think would be correct.
- CAPT. MABRY S. KIRKCONNELL:** Standing Orders 34(b) then, if the Member would give way.
- MR. JOHN D. JEFFERSON, JR.:** Mr. President, if he wants to try to clear up his position, that is all right with me. I have nothing to hide and it gives me a chance to hear what he has to say.
- CAPT. MABRY S. KIRKCONNELL:** Thank you, Mr. President and I thank the Member for giving way.  
I would like to explain to the House, Mr. President, that I did in fact meet, I think on one or two occasions, with the other Members of the Backbench. We did have discussions, but the final decision was received after speaking with the Third Elected Member for George Town when I came into the Chamber yesterday morning. I then asked the Clerk, and she gave me a copy of the reductions. That is when I was informed of the reductions that were put forward in their Motion.  
Thank you, Mr. President.
- MR. PRESIDENT:** Now, I do not think that this should develop into a debate. The two sides have been stated by the Members, and I think we should leave it there. Would you continue, the Third Elected Member for West Bay?
- MR. JOHN D. JEFFERSON, JR.:** Mr. President, I did state that the Member was in on those discussions and had agreed on those cuts. He might have seen the final copy, but, he knew of those cuts before the Third Elected Member for George Town handed him the copy of the Motion.  
What concerns me is the fact that as a result of these borrowings close to \$13 million, Public Debt at the end of 1991, - and that is only if Government during the course of the year does not decide to borrow more - will stand in excess of \$43 million. What the objectives appears to be is..., this Government recognises that their days in power are numbered and they are going to ensure that whatever successive Government take over from them there will be no money to spend or the ability to borrow because of what they are doing now.  
It amazes me that what should be regarded as responsible Members, are taking the present situation of this country so lightly. We are headed down the same road that all the other Caribbean countries have gone, and which has been their downfall - borrowing. Also, I do not agree with the statement by the First Elected Member for Cayman Brac and Little Cayman, when he said, "now that things are slow and Government has to borrow money to keep the economy going..." What Government should have done when the country was flourishing was to save so that when there is a down-turn like the one we are facing now, they could have had money to fund that activity rather than going out at this stage having to borrow it. It shows a lack of proper management and leadership.  
Mr. President, when the Honourable Member for Education got up to offer his contribution, he was, as usual, living in the past. The only thing that he had to say was that the Government is in better shape now than previous Governments. He seems to have a serious problem in dealing with the present and the future. He did make a statement that Government at least had enough money to take care of its Recurrent Expenditure. Mr. President, if we look at the Budget and how it is made up, there was close to \$5.0 million under new services - which was nothing more than breaking off certain sections of Departments and putting them on their own. If that was added back to the Recurrent Expenditure, - and it should be, this is nothing new - then Government's Recurrent Revenue for this year would have fallen short just to cover that particular expenditure.  
It is an indictment on the leadership of the Elected Members of Executive Council. My opinion is, that the sooner this country gets new leadership capable of managing the financial affairs of the country, the better off we are going to be because the track-records of these gentlemen are not very good indeed.



What frightens me is what the financial position of Government would have been if we had received the approval early in 1990 for the MGTP and the Hospital. Rather than looking at \$43 million in loans or Public Debt, we probably would be looking in the region of \$100 million or \$200 million of Public Debt which this small country, as far as I am concerned, could never afford. It appears that as long as the Elected Members of Government get what they want - that is, their own private projects - they do not care. But the day of reckoning is going to come. Time for these gentlemen is running out. That day is coming as in the Bible story of Belshazzar the King. When he saw the writing on the wall, he brought in Daniel, who told him what it meant. He said, "Thou art weighed in the balances, and art found wanting." The people of this country are waiting patiently to show these gentlemen just how much faith and how much support they offer for their leadership.

Thank you, Sir.

**MR. PRESIDENT:**  
Mover wish to reply?

Does any other Member wish to speak? (pause) Would the

**MR. W. McKEEVA BUSH:**

Mr. President...

**MR. PRESIDENT:**  
matter carefully.

I am sorry, I think that you waited too long. I must consider this

**MR. W. McKEEVA BUSH:**  
and give me a chance to speak.

Well I would appreciate if you would consider it very carefully

**MR. PRESIDENT:**  
should realise that the listening public do not know what to make of these long pauses. If you are prepared to give way.

I am considering it very carefully, because I do think Members should realise that the listening public do not know what to make of these long pauses. If you are prepared to give way.

The First Elected Member for West Bay.

**MR. W. McKEEVA BUSH:**  
was happening - the waiting game.

I appreciate your consideration and I will tell the public what

would not be doing my duty. Because the Bill contains things that I support, and I think that is the general view of the people of this side of the house - at least the six of us - and we are going to prove that when we go in to Committee and vote on the Schedules in this Bill.

Mr. President, if I said that I do not support all of this Bill, I think I

am not going to get into any long debate about past affairs. All I can say about past affairs is that some of them were bad, but certainly not as bad as what we are facing today.

Much has been said on the Bill and on Government expenses. I

have to understand with regards to how much money is left in the General Reserves, there was passed a rule to have in General Reserves and Surplus, three months of Government's expenditure. I do not know whether \$11.8 million could meet three months of Government's expenditure if that was needed. The fact remains that the Government is spending too much money in non-priority areas. I know that there are those who are going to get up after me and question whether the Schedule here can be considered non-priority. We could all say that everything here is something that we want, but is it practical, is it feasible? That is the question before us.

There were certain things said that I would like to reply to. We

College and School Buildings: \$2.8 million - which I am going to support - yes, that is needed. But, when we have other matters thrown-in, we have to question the soundness in borrowing the entire sum.

In the Schedule, when you take for instance, Community

Cayman, and he expressed his dismay on the districts not being taken care of. He said that the \$380,000 for roads in Cayman Brac for instance, would not do, and he was going to sit down with us and see what we could come up with. For instance, Cayman Brac had approximately \$700,000 for roads last year so, it was not practical according to him. He promised us that he was going to vote with us for whatever reason - and I know the reason, I see some of it in other matters before us and in amendments in Finance Committee by the Honourable Financial Secretary. He received certain things that.... in other words Mr. President, he is taken care of. After sitting down with us and agreeing to cut the Loan Bill and to have a savings of \$800,000, he turned against us. It is simple, he cannot be trusted!

We met with the First Member for Cayman Brac and Little

quoting him directly it is hard to figure out what that Member wants because he said that he is not responsible for how money is spent, yet, he is a Member of the Public Accounts Committee. Somebody is confused. With respect to his age and as a Member of the House, I would ask him to be sincere, whenever I talk with him, because I do not intend to take the time any longer to sit and discuss matters with him, then have him come to the floor of the House and make you believe otherwise.

As far as being confused, on this side as to what we want,

**MR. PRESIDENT:**  
adequately ventilated. It seems to me to be very little to do with the subject under discussion.

I think that you should move on. The subject is being

**MR. W. McKEEVA BUSH:**

Mr. President, I will move on.

**MR. PRESIDENT:**

Please do not let us discuss it. Please move on.

**MR. W. McKEEVA BUSH:**  
that we are replying to what was said.

I am intending to move on, but the House has to understand

**MR. PRESIDENT:**  
I shall give the Member who is being talked about the opportunity for a personal statement if he so requires. Because I feel it is required. Now I would ask you to move on because we are going well away from the real subject of the debate.

**MR. W. McKEEVA BUSH:**  
Mr. President, next year is going to be a better year.

**MR. PRESIDENT:**  
That hardly seems to have anything to do with the debate either.  
Would you please proceed with the debate?

**MR. W. McKEEVA BUSH:**  
I will, Mr. President. I said that I was going to. With regard to the Amendment that was proposed in Finance Committee, the amendment referred to by the First Member for Cayman Brac and Little Cayman and the Member for Education.... Mr. President, what does the Member call 'pork-barreling'? In Finance Committee there were amendments moved to give West Bay improvement of their hard court; \$20,000, and for a park development in West Bay; \$52,900. I tried to get a cricket pitch in West Bay - \$10,000. We tried to get the Bodden Town playing field going for \$50,000; and we tried to do the same thing with a new playing field in East End for \$50,000. Mr. President, \$50,000 for East End that had been voted on before and was in last year's estimates? But nothing was done.

I understand that they were trying to get a new field in a different area because they had problems with the present area. So we decided that we would try and get \$50,000 for them. In 1988, in the Manifesto for the Member for Education and myself, we said, specifically for West Bay, that we would provide a public library. The vote that he regarded as [pork-barreling], included a figure for \$30,000 which the Third Elected Member for West Bay and myself were trying to get for library facilities, including books. As I have said, I had met with the consultant in West Bay at the proposed library site.

Mr. President, the vote contained \$52,900 for public park development. In our common Manifesto we said that we would provide public park and parking facilities in West Bay. What does the Member call, "pork-barreling"? I wonder what the Honourable Member is talking about... pork-barreling. If it is pork-barreling, it is the best pork in the world to give our people, the needed facilities as we promised.

In that same vote that he was criticising, we asked for a re-vote which would have been a re-vote of \$250,000 for West Bay. Because roads in West Bay..., roads that he met with us on last year, mind you, has not been done. We, the three Elected Members got together and voted a figure of \$200,000 or \$300,000, and he had his input as to where the money goes, and on which road the money is spent on. So what is the Member talking about? Pork-barreling? There is some pork-barreling going on in the larger projects that we would like to put a stop to.

Mr. President, I do not know what the Member considers pork-barreling. I consider it an attempt to do my best on the things that we promised in this Manifesto. But I know what will happen Mr. President, they will do what they usually do. They have no ideas of their own and as soon as we come up with something it is prostituted so that you can hardly tell who suggested it, and because McKeeva suggested it, it is not a good thing until they put it into a different form. I am glad that I can pork-barrel some for my people.

Mr. President, the \$250,000 for roads, he criticised, after only providing a meager sum for West Bay. Mind you, after, he took around a petition and promised certain people roads in West Bay, got them to sign the petition against me, to embarrass me, he comes now and calls it pork-barreling. Mr. President, time will tell.

I am not going to support everything in the Schedule on this Bill, and to say, that Government is spending too much money and they are not spending it in the right areas. They have no plan. They are very harem-scarem in their work. Mr. President, that is why we are finding before us now, a request for Supplementary Expenditure of \$1.5 million even before we finish with the present Budget. Where is this going to come from? Will this add to our deficit of \$18.5 million or will this come from General Reserves of the \$11.8 million that they said they have? Where will it come from?

They should resign and let the people decide the future. Because the future hanging the way it is in their hands is indeed in bad shape. I do not need to say that I would hope at the end of this Government's term they could leave the amount of money which I was told, the previous Government left in March of 1985; General Reserves - \$10 million, Surplus Balance - \$891,000, Public Debt - \$8 million, Self-Financing Debt - \$2 million, from the records of the House. If this Government can do as good as that [past Government], this country might not be in such bad shape. Mr. President, that position was at 31st October, 1984.

It is time the topic of 'what a former Government has done', be put to rest. I do not want to hear about it. I want to see what they are doing to improve their position, and they are not doing anything to improve their financial position; they are going further into debt, spending more money. As is evidenced by a request for Supplementary Expenditure. I will deal with them further when it comes to Finance Committee, whenever that is called again on this new request of \$1.5 million.

In regard to those Members who said, they do not know what we want; we want them to perform, we want them to plan, we want them to prioritise on a long term basis. Not in

the manner that they have been doing. It is very evident that these people are living in the past and cannot deal with the present. It is evidenced by the new West Bay School, and the way in which the Member for Education has dealt with it. He is seven months behind in providing the school and yet, he is building a second phase, without knowing how many children it will hold.

I am going to be kind to them; I hope they will be able to explain after I sit down. As I have said, I am not going to support the Bill in its entirety. Our amendments proposed were to save some money and getting projects in our districts that we have campaigned on.

Thank you, Mr. President.

**MR. PRESIDENT:** The Honourable Members have a choice. It is notoriously difficult to forecast how long any item of business will take. Would you wish to break for lunch in a few minutes or would you wish to try to continue with the agenda?

**MR. W. McKEEVA BUSH:** Mr. Chairman, I believe we could finish in the next few minutes.

**MR. PRESIDENT:** I believe you may be very optimistic. That is just my view. What would Members think, continue?

**HON. THOMAS C. JEFFERSON:** Mr. President, I do not know how many other Members are going to speak, but I do not propose to take long to wind it up.

**MR. PRESIDENT:** At least one other Member wishes to speak, I think.

**HON. W. NORMAN BODDEN:** It seems that it would be preferable to take the lunch break at this time and then reconvene at the usual time.

**MR. PRESIDENT:** In that case we will suspend slightly earlier, and let us try to be back for 2:10 P.M.

#### AT 12:45 P.M. THE HOUSE SUSPENDED

#### HOUSE RESUMED AT 2:14 P.M.

**MR. PRESIDENT:** Proceedings of the Assembly are resumed. The Second Reading of the Loan (Capital Projects) Bill, 1990. At least one Member indicated that he wished to speak before lunch. The First Elected Member for Bodden Town.

**MR. ROY BODDEN:** Thank you, Mr. President.

I will not be so dishonorable or unreasonable as to waste the time of the Honourable House by playing waiting games. I have been taught to say what I have to say, once I know it is the truth, boldly and fearlessly, and certainly in this case no less obtains, Sir. I would have hoped that we could have departed these hallowed halls at this time of the year with a better Christmas present for our people. Unfortunately, that is not to be.

Mr. President, the amount of \$12,900,000, and the Bill enabling us to raise this loan, I must say quite candidly, it is not objectionable in its entirety. Because there are Schedules in it which, I will of course be supporting, namely; the Community College and school building, some farm development, and while I am interested in improvement of the medical facilities, I have my reservations. In regard to the purchase of land, I hope that the monies for the proposed launching ramp, public beach and parking facilities in my constituency are included in this \$1 million.

Now, what is the answer to this type of borrowing? Quite clearly the answer to this type of borrowing is that the Government endeavour to embark upon a position of fiscal responsibility. And the mere fact that they have to bring this Bill here now, argues convincingly against that. We should have long ago tried to curtail our expenditure, and tried to prioritise it, so it would not have to come to this.

I have heard speakers mentioned that the amortisation of this loan will lessen its effect on the generations of our children and grandchildren. On the contrary, it could be argued that they will prolong the pain by this amortisation.

I have other concerns. It seems to me that very little of this money is coming from overseas sources. I believe that \$360,000 comes from the European Development Fund. Does that mean then, that the remainder of this money is going to be raised locally? Because if that is so, what it does is put the Government in direct competition with private sector; businesses and individuals for Cayman Islands dollars, further constricting an already shrinking economy and by inference, fueling the hardships of ordinary Caymanians.

Mr. President, this Loan Bill is a sad indictment on a Government who failed to plan, and history will not be too kind to us. I was listening to the radio a few evenings ago and there was a political debate concerning the proposed plan of one Caribbean country to raise a 30 million Pound Sterling loan in Europe. The Government was proposing that the loan was necessary to ease them out of the financial straits that they were in. It was the Opposition's contention that by the time they had paid off the loan, they would have paid 150 million Pound Sterling; borrowing only 30 million, interest plus principal. If we get ourselves in these kinds of position we will lose our financial independence, and I have always said, now is the time

to be financially conservative. I remember very vividly six months ago, when the First Elected Member for West Bay and myself moved a Motion concerning diversifying the economy. We were laughed at and jeered at by the Honourable Elected Member responsible for Education, saying that "we were plagiarising someone else's ideas and making fun of our sources of advice", because the Government was in a good position.

Good position, Mr. President? There are two kinds of good; one good-good and the other is good for nothing. The Government is in a good for nothing position, thanks to the Elected Members of Executive Council who come here now, visiting a \$12 million loan plague upon the people of this country.

Mr. President, I heard that the Honourable Elected Member for West Bay who is responsible for Education, Recreation and Culture, talked about "pork-barreling". I will tell them about pork-barreling. If any pork-barreling is going on in this country at this time, it must be done by the Elected Members of Executive Council because it is not being done by the Backbench. We do not have to look long or hard to see that it is the Elected Members of Executive Council have their hands up to their shoulders in the pork barrel. The pork is gone and they have brought up \$13 million worth of brine for this country to sup on. Yes, they have pork-barreled, until they left us with \$12,900,000 worth of brine for our children and grandchildren to sup on. Shame on them! The brine is dripping from their sleeves. There will be those of them who will get up and try to pretend that they are experts. The proof of the pudding is in its tasting, and we are \$12,900,000 down the drain - thanks to their financial mismanagement. Mr. President, they are lucky they are not managers in the private sector because they would have a lot of accounting to do for some board of directors.

It is a sad indictment, Sir, and I am saying as I have always said, we were elected to represent our people and to provide good stewardship. We have tried, those of us on the Backbench, to raise monies to complete some needed projects in our constituencies; this was denied. The Government must assume full responsibility for the bad financial state this country is in now and when the day of reckoning comes, I hope they can take the punishment that is going to be meted out in return for their bad stewardship.

I would like to say in closing, that there is nothing wrong with representatives trying to achieve what their constituents need; trying to realize their campaign promises. Mr. President, I read in a book written by one of the longest serving Speakers of the United States House of Representatives, Thomas Tip O'Neil: "All politics are local. Take care of your constituents and your constituents will return you to the Parliament." [any wise politician will remember that.]

I want to say this, because I think at this time it is worth saying. Not because of the selfishness, but because of the old adage. My mother told me a story about an old widower, who had three sons that he used to take to church every Sunday. He encouraged each of them, when it was time for the offering, to say a Bible verse. On this particular Sunday it was the eldest son's turn, and before he put his offering in the pan, he remarked: "The Lord loveth the cheerful giver." The second son when it was his turn said: "What is given to the poor, is lent to the Lord". When the usher came abreast of the third and youngest son, he was a little reluctant, so his father had to give him a prod with his walking cane. He opened his hand and looked at the money he had to offer and then to the usher, but his father had to give him another prod. He nodded his head and said: "A fool and his money is soon parted."

Mr. President, not that I encourage selfishness but, it is the adage which is important. We can waste away our resources but it is difficult, indeed, to get them back. I hope that this Government on the eve of Christmas, goes home with good conscience, knowing that they have left us in this position... and they have the nerve to come here talking nonsense about "pork-barreling". If they can sleep well, the Backbenchers can slumber.

**MR. PRESIDENT:**  
to reply?

Does any other Member wish to speak? Would the Mover wish

**HON. THOMAS C. JEFFERSON:**

Mr. President, the Budget Address having been presented over a month ago, it having been debated for 11 days, and the 1991 Estimates having been scrutinised by Finance Committee for five days I believe, I feel perhaps a little like George Bernard Shaw, the Nobel Prize Irish dramatist, who when introduced to speak after a number of other speakers who had spoken on similar subjects at a public function, rose to his feet and uttered these words: "The subject is exhausted," and immediately resumed his seat. I deem it appropriate now to do likewise.

**MR. PRESIDENT:**  
therefore. Those in favour please say Aye, those against, No.

I will put the question on the Second Reading of this Bill,

**QUESTION PUT:        AGREED BY        THE LOAN (CAPITAL PROJECTS) MAJORITY: BILL, 1990 GIVEN A SECOND READING.**

**MR. PRESIDENT:**  
the Loan (Dental Clinic) Bill, 1990 and one other Bill.

The House will now go into Committee to study a Bill entitled

**HOUSE IN COMMITTEE  
2:29 P.M.**

**COMMITTEE ON BILLS**

**THE LOAN (DENTAL CLINIC) BILL, 1990****MR. CHAIRMAN:**

Please be seated.

The House is in Committee. May I take it that as usual we authorise the Honourable Second Official Member to correct any minor errors in these Bills. Would the Clerk state the Bills in turn and read the clauses.

**CLERK:** CLAUSE 1 - SHORT TITLE.**THE CHAIRMAN:**

I will as usual allow the Clerk to go on reading the clauses until

any Member signals that he wishes to speak.

**CLERK:** CLAUSE 2 - AUTHORITY TO RAISE LOAN.  
 CLAUSE 3 - APPROPRIATION OF LOAN.  
 CLAUSE 4 - MODE OF RAISING LOAN.  
 CLAUSE 5 - PRINCIPAL AND INTEREST TO BE CHARGED ON REVENUE

**MR. PRESIDENT:**

I will take the question on the clauses first and then on the Schedule. The question is that, Clauses 1 to 5 do stand part of the Bill.

**QUESTION PUT: AYES AND NOES:****DIVISION NO. 43/90****NOES: 6**

Mr. W. McKeever Bush  
 Mr. John D. Jefferson  
 Mr. Truman M. Bodden  
 Mr. Gilbert A. McLean  
 Mr. Roy Bodden  
 Mr. G. Haig Bodden

**AYES: 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

**ABSENT: 1**

Mr. John B. McLean

**AGREED BY MAJORITY: CLAUSES 1 THROUGH 5 PASSED.****CLERK:** - SCHEDULE.**THE CHAIRMAN:**

The question is that the Schedule do stand part of the Bill. Those in favour please say Ayes, those against, No.

**QUESTION PUT: AYES AND NOES.****THE CHAIRMAN:**

The Ayes have it.

**THE SCHEDULE PASSED.**

**CLERK:** A Bill for a Law to Enable the Raising of a Loan not Exceeding Six Hundred Thousand Dollars Together With the Expenses of the Issue Thereof for Financing Certain Specified Capital Projects.

**THE CHAIRMAN:**

The question is that the Title do stand part of the Bill.

**QUESTION PUT: AYES AND NOES.****THE CHAIRMAN:**

The Ayes have it.

**THE TITLE PASSED BY MAJORITY.****THE LOAN (CAPITAL PROJECTS) BILL, 1990****CLERK:** The Loan (Capital Projects) Bill, 1990.

CLAUSE 1 - SHORT TITLE.  
 CLAUSE 2 - AUTHORITY TO RAISE LOAN.  
 CLAUSE 3 - APPROPRIATION OF LOAN.

CLAUSE 4 - MODE OF RAISING LOAN.  
 CLAUSE 5 - PRINCIPAL AND INTEREST TO BE CHARGED ON GENERAL REVENUE

**QUESTION PUT: CLAUSES 1 THROUGH 5**

**CLAUSES 1 THROUGH 5 PASSED.**

**CLERK:** Schedule.

**MR. PRESIDENT:** The question is that the Schedule do stand part of the Bill.  
 Would those in favor please say Aye?...

**MR. W. McKEEVA BUSH:** Mr. Chairman.

**MR. PRESIDENT:** Yes.

**MR. W. McKEEVA BUSH:** I was wondering whether you would take the items in the Schedule separately.

**MR. PRESIDENT:** I think that can be done under Standing Order 51(1). I think that is all right, as it would make sense anyway. In that case I will put the question that the Schedule do stand part of the Bill and then I will say Subsection (i) and call that, then Subsection (ii) and call that.

**THE SCHEDULE PASSED.**

**MR. PRESIDENT:** The question is that sub section (i) stand part of the Bill.

**QUESTION PUT: SUBSECTION (i) PASSED.**

**MR. PRESIDENT:** Subsection (ii), Community College and School Building, will those in favour please say Aye, those against, No.

**QUESTION PUT: AYES AND NOES.**

**MR. W. McKEEVA BUSH:** Can I have a division on that, Mr. Chairman.

**MR. PRESIDENT:** I have not heard the Noes yet. Those against No? The Ayes have it.

**MR. W. McKEEVA BUSH:** I would like a division.

**DIVISION NO. 44/90**

**AYES: 14**

**NOES: 0**

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. McKeeva Bush  
 Mr. John D. Jefferson, Jr  
 Mr. Truman M. Bodden  
 Capt. Mabry S. Kirkconnell  
 Mr. Gilbert A. McLean  
 Mr. Roy Bodden  
 Mr. G. Haig Bodden

**ABSENT: 1**  
 Mr. John B. McLean:

**SUBSECTION (ii) PASSED.**

**MR. PRESIDENT:** The amendment has been carried. Subsection (iii), Roads.

**QUESTION PUT: AGREED BY MAJORITY. SUBSECTION (iii) PASSED.**

MR. PRESIDENT:

Subsection (iv), Farm Development?

QUESTION PUT: AYES AND NOES.

## DIVISION NO. 45/90

## AYES: 11

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. McKeeva Bush  
 Capt. Mabry S. Kirkconnell  
 Mr. Roy Bodden  
 Mr.

## NOES: 3

Mr. W. McKeeva Bush  
 Mr. John D. Jefferson, Jr.  
 Mr. Gilbert A. McLean

G.

Haig

Bodden

## ABSENT: 1

Mr. John B. McLean

## SUBSECTION (iv): PASSED BY MAJORITY

MR. W. McKEEVA BUSH:

Mr. Chairman, before you move to the next item, (v) Medical Facilities. I really feel that that should more appropriately be entitled, Medical Facilities Plan. The words 'medical facilities' gives the impression that we are going to build a hospital or a building. This \$1.1 million is merely for design works and does not contain any building as such, and I am wondering whether this could be changed with your permission.

MR. PRESIDENT:

to be done by an amendment.

I do not believe that I have the authority to do that. I think it has

MR. W. McKEEVA BUSH:

Standing Orders that require your....

I would move it, if you would give the permission under the

MR. PRESIDENT:

Government must respond to you.

I think that you have put your point to the Government. The

MR. W. McKEEVA BUSH:

What I am saying is that you, under the Standing Orders, have the power to allow an amendment immediately and I am asking that this be appropriately titled; Medical Facilities Design Works Plan or Designed Works as it is stated in the Budget. Here it is giving the false impression that it is medical facilities.

HON. THOMAS C. JEFFERSON:

Mr. Chairman, the draft Estimates for 1991, when dealing with the total allocation for medical facilities, in the explanatory note it says the following: "George Town Hospital Design Works, \$1 million." I think it is the intention that the \$1 million is for the design of the George Town Hospital and not for the facilities itself, although perhaps the Schedule could have highlighted that point as well.

MR. PRESIDENT:

supporting the Estimates. I think it was certainly recorded in the *Hansard*, there is no doubt about it.

I think the point is clear. It is contained in the document

MR. W. McKEEVA BUSH:

But this is the Bill, Sir, and...

MR. PRESIDENT:

I am sorry this is an explanatory note of a general nature.

MR. W. McKEEVA BUSH:

I must disagree with you, Mr. Chairman, because this...

MR. PRESIDENT:

I have no power to alter this. If you wish to seek my agreement, I believe I have the discretion under Standing Orders to prevent an amendment without two day's notice. I am prepared to permit you to put that amendment. So, if you would like to put that amendment to the precise wording that you would like..

MR. W. McKeeva Bush:

The amendment is that this item be more appropriately titled, "Medical Facilities Plan", and I cannot see why the Government can...

MR. PRESIDENT:

Your amendment is that it be entitled Medical Facilities Plan?

MR. W. McKEEVA BUSH:

Medical Facilities Plan, as they say it is for, now if the...

**MR. PRESIDENT:** I am sorry, you have explained that already and we are going to put the amendment. But before we do, you did not give me time to say, in relation to Subsection (iv), that the line was carried after the division. So, we are now putting an amendment. I think I am right that we do not need any seconders for amendments in Committee. That is right.

We are putting the amendment from the First Elected Member for West Bay, that under Subsection (v) of the Schedule the words "medical facilities" be replaced by "medical facilities plan". We have got that right. Does anyone wish to speak to that?

**HON. D. EZZARD MILLER:** Mr. Chairman, I could not support that because the draft notes in the Estimates and the total is for \$1.1 million, and it does include things other than hospital design works. We all know what happens when they tamper with the notes as they did in the 1990 Budget on the hospital consultancy. I cannot support putting something there. I think medical facilities more accurately represents what is in the Vote.

**MR. PRESIDENT:** I will put the question...

**MR. W. McKEEVA BUSH:** Mr. Chairman, the Member must stop giving the wrong information...

**MR. PRESIDENT:** Be careful, your laying a serious charge. If you mean that you must support it.

**MR. W. McKEEVA BUSH:** I am saying, Mr. Chairman, that whatever was done in last year's Finance Committee was agreed to by the whole House. And we have gone through this time and time again. The whole Committee agreed, or we could never have gotten as far with last year's Estimate as we did. We could not do it on our own. We had to have their agreement.

**HON. D. EZZARD MILLER:** Nobody is disputing that, Sir. I am just making the point that the monies can only be used for what the explanatory note says, it can be used for. I have that in writing from the Honourable Financial Secretary, who I think is correct in making such a ruling and the fact is that the money in the Budget refers to additional things other than just the design works for the new hospital.

**MR. W. McKEEVA BUSH:** That is not true, Mr. Chairman. I want you to look at the Estimate, Head: 42-008. There is a figure for \$1,415,092; \$282,092 is provided for the Dental Clinic building; and \$133,000 for furniture and equipment. The George Town Hospital Design Works, the matter that I am talking about, is only \$1 million, what the Honourable Member is saying that the Estimates claims for Medical Facilities Design Works. All I am asking is that you put according to his own argument.

**HON. D. EZZARD MILLER:** Mr. Chairman, with the greatest of respect, the Member just accurately read what is in the Estimates. It says: Hospital Design Works, \$1 million. The Bill before him says: Medical Facilities \$1.1 million, and the public can be the judge about who is lying.

**MR. W. McKEEVA BUSH:** Well you are not telling the truth because, that is not what we have in either one.

**MR. PRESIDENT:** This is now being put to an amendment and I am going to offer an opinion. In my view, Medical Facilities is a perfectly acceptable short way of saying that it may include designs and plans. For example, farm development clearly from the notes on the Estimate also includes design work and consultancy. Roads, I imagine includes design works, the Community College I should think does also.

Now you are picking up one particular item which you are quite entitled to do. I am simply making the observation that we could go on putting pages on to this if we carry that through.

**MR. W. McKEEVA BUSH:** Mr. Chairman, I know I cannot win an argument in this House. All I was trying to do, according to the Member's own argument, is that if the Head is not correct, in my opinion, then it could be used for anything.

**MR. PRESIDENT:** I think this is a separate issue here. I am loathe to get into the argument. But, this Bill is for raising the money it is not for spending it. The authority for Expenditure is in the Estimates and that has the explanatory note.

**MR. ROY BODDEN:** Mr. Chairman, I have to grudgingly admit that it is very cleverly put, but he who laughs last, laughs best.

**MR. PRESIDENT:** What is very cleverly put?

**MR. ROY BODDEN:** The expression, "Medical Facilities", Sir.

**MR. PRESIDENT:** Well I am sorry, I cannot take any credit for it, but there you are.



**MR. ROY BODDEN:**

No, I was not attempting to try to...

**MR. PRESIDENT:**

I know you were not. I am trying to put a little laughter into the thing. I think we should vote on the amendment unless anyone else wishes to speak. You have heard the amendment.

**QUESTION PUT ON AMENDMENT: AYES AND NOES**

**MR. PRESIDENT:**

I will have a division just for clarity.

**DIVISION NO. 46/90**

**AYES: 6 NOES: 8**

Mr. W. McKeeva Bush  
Mr. John D. Jefferson  
Mr. Truman M. Bodden  
Mr. Gilbert A. McLean  
Mr. Roy Bodden  
Mr. G. Haig Bodden

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

**ABSENT: 1**

Mr. B. John McLean

**AMENDMENT NEGATIVED BY MAJORITY**

**MR. PRESIDENT:**

We move on to Subsection (vi), Purchase of Land.

**QUESTION PUT: SUBSECTION (vi) PASSED.**

**MR. PRESIDENT:**

Subsection (vii), Government Offices and Public Facilities.

**QUESTION PUT: SUBSECTION (vii) PASSED BY MAJORITY.**

**MR. PRESIDENT:**

Subsection (viii), Harbours and Docks, Disaster Preparedness, Yards and Stores, and Landfill Operations.

**QUESTION PUT: SUBSECTION (viii) PASSED BY MAJORITY.**

**HON. D. EZZARD MILLER:**

Mr. Chairman, I think you took the vote for the proposed Amendment for Subsection (v), but I do not think you took...

**MR. PRESIDENT:**

I did not actually take Subsection (v)?

**HON. D. EZZARD MILLER:**

No, Sir.

**MR. PRESIDENT:**

I cannot remember. Can anyone else check? Well for safety sake we will put Subsection (v) then, Medical Facilities.

**QUESTION PUT: SUBSECTION (v): AYES & NOES.**

**DIVISION NO. 47/90**

**NOES: 6**

Mr. W. McKeeva Bush  
Mr. John D. Jefferson  
Mr. Truman M. Bodden  
Mr. Gilbert A. McLean  
Mr. Roy Bodden  
Mr. G. Haig Bodden

**AYES: 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

**ABSENT: 1**

Mr. B. John McLean

**SUBSECTION (v) PASSED BY MAJORITY.**

**CLERK:** A Bill for a Law to Enable the Raising of a Loan not Exceeding Twelve Million, Nine Hundred Thousand Dollars Together With the Expenses of the Issue Thereof for Financing Certain Specified Capital Projects.

**MR. PRESIDENT:** The question is that the Title do stand part of the Bill.

**QUESTION PUT: AGREED. THE TITLE PASSED.**

**MR. PRESIDENT:** That concludes Proceedings in Committee on a Bill entitled the Loan (Dental Clinic) Bill, 1990 and one other Bill. The House will resume.

**HOUSE RESUMED AT 2:50 P.M.**

**MR. PRESIDENT:** Proceedings of the House are resumed accordingly. The Bills reports, the Honourable Financial Secretary.

## **REPORTS ON BILLS**

### **THE LOAN (DENTAL CLINIC) BILL, 1990**

**HON. THOMAS C. JEFFERSON:** Mr. President, I have to report that the Bill shortly entitled, the Loan (Dental Clinic) Law, 1990, was considered by a Committee of the whole House and passed without amendment.

**MR. PRESIDENT:** The Bill is accordingly set down for Third Reading. Bill report, the Honourable Financial Secretary.

### **THE LOAN (CAPITAL PROJECTS) BILL, 1990**

**HON. THOMAS C. JEFFERSON:** Mr. President, I have to report that the Bill shortly entitled, The Loan (Capital Projects) Law, 1990, was considered by a Committee of the whole House and passed without amendment.

**MR. PRESIDENT:** The Bill is accordingly set down for Third Reading. Bills, Third Reading.

## **THIRD READINGS**

### **THE LOAN (DENTAL CLINIC) BILL, 1990.**

**CLERK:** The Loan (Dental Clinic) Bill, 1990.

**HON. THOMAS C. JEFFERSON:** I Move the Third Reading of a Bill shortly entitled the Loan (Dental Clinic) Law, 1990. I think I said it wrong. I Move that a Bill shortly entitled The Loan (Dental Clinic) Law, 1990 be given a Third Reading and passed.

**MR. PRESIDENT:** I think we are all getting a bit tired after a long session. The question is, that a Bill entitled the Loan (Dental Clinic) Bill, 1990, be given and Third Reading and Pass. Those in favour please say, Aye, those against, No.

**QUESTION PUT: AYES & NOES**

**HON. D. EZZARD MILLER:** Mr. President, could I have a division please.

**MR. PRESIDENT:** Yes. Clerk.

### **DIVISION NO. 48/90**

#### **NOES: 6**

Mr. W. McKeever Bush  
Mr. John D. Jefferson  
Mr. Truman M. Bodden  
Mr. Gilbert A. McLean  
Mr. Roy Bodden  
Mr. G. Haig Bodden

#### **AYES: 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

**ABSENT: 1**  
Mr. B. John McLean

**MR. PRESIDENT:** The Bill passes its Third Reading.

**AGREED BY MAJORITY:** **THE LOAN (DENTAL CLINIC) BILL, 1990 GIVEN A THIRD READING AND PASSED.**

**MR. PRESIDENT:** Bills, Third Reading.

**THE LOAN (CAPITAL PROJECTS) BILL, 1990**

**CLERK:** The Loan (Capital Projects) Bill, 1990.

**HON. THOMAS C. JEFFERSON:** Mr. President, I move that a Bill shortly entitled, the Loan (Capital Projects) Law, 1990, be given a Third Reading and passed.

**MR. PRESIDENT:** The question is that a Bill entitled the Loan (Capital Projects) Law, 1990 be given its Third Reading and do pass. Those in favour please say, Aye, those against, No.

**QUESTION PUT: AGREED BY MAJORITY** **THE LOAN (CAPITAL PROJECTS) BILL, 1990 GIVEN A THIRD READING AND PASSED.**

**MR. PRESIDENT:** That concludes the business on the Order Paper.

**HON. THOMAS C. JEFFERSON:** Mr. President, before I move the adjournment there were some Supplementary Expenditure Schedules circulated to Members either Monday afternoon or early this morning. I hope that we could meet sometime this week to finalise it and then begin to relax, and enjoy the Christmas season. I move the adjournment of this Honourable House until the February 15th, 1990.

**MR. G. HAIG BODDEN:** Mr. President, I am wondering if we could deal with that Supplementary Expenditure immediately after the adjournment so that we will not have to come back another day.

**HON. W. NORMAN BODDEN:** I would like to support that suggestion from the Second Elected Member for Bodden Town, Mr. President.

**HON. THOMAS C. JEFFERSON:** That is fine with me, Mr. President.

**MR. PRESIDENT:** We will do that then. We shall meet in Finance Committee immediately after the House concludes.

**MR. TRUMAN M. BODDEN:** Mr. President, with respect I only got the Schedules this morning. If we can have an adjournment for me to try and go through it, since it is about seven or eight pages. If we can have a break of some kind that I can sit down and go through it, maybe a half hour to an hour. I only got mine this morning and I have not been through it in any depth.

**MR. PRESIDENT:** I think it is very much a matter for the House to decide. I have an appointment at half past four because I estimated that we might finish by half past four. I may have been optimistic. I do not know.

**MR. W. McKEEVA BUSH:** Mr. President, I would like say that I think we could take the usual evening break and at that time we could...

**MR. PRESIDENT:** That sounds sensible, let us try and do that, shall we. Before we adjourn I should like to wish you all a happy Christmas season and a peaceful New Year. And I would like to thank the Clerk, the Deputy Clerk, and all the staff who looked after us so well. It has been another long meeting and they have served us admirably.

The question is that the House do stand adjourned until the 15th of February, 1991.

**MR. W. McKEEVA BUSH:** Mr. President, normally at this time Members are given a chance to...

**MR. PRESIDENT:** Indeed, and this is what I was waiting for, but nobody seemed to be coming forward.

**MR. GILBERT A. McLEAN:** Mr. President, having done what I believe I should have done during the course of this meeting and indeed, I was obliged to criticise the Government on many points quite

severely. However, I did take caution to direct it at the appropriate Member on some occasions in putting across what I thought was a counter to some of the things which Government proposed during this meeting.

I am satisfied that I have carried out my duties and at this time I take the opportunity to wish all Members of this House as individuals, a very happy Christmas season to themselves and their families, and to the staff of the Legislative Assembly, the Clerk, the Deputy Clerk, all of the staff in fact, who I think performs extremely well in the duties which they have to carry out. The house keeping staff for looking after us so well with refreshments. And, I trust that we will come back in the New Year to a situation where we can have a better understanding among ourselves, and perhaps with any luck, finds us going more in unison and direction which can be in the best interest of the country.

Before I take my seat I would like to wish for the people of these Islands a healthy and happy Christmas season and certainly, for all the people of the districts that I represent, Cayman Brac and Little Cayman, the very best for Christmas and a very happy and prosperous New Year.

Thank you.

**MR. ROY BODDEN:**

Mr. President, I would like on this occasion to speak on behalf of my colleague from the constituency of Bodden Town, which we represent to say firstly, that we wish the Honourable Members of this House a peaceful and prosperous Merry Christmas and a happy New Year when it comes.

May I further wish on behalf of my colleagues, that we could return in the New Year not in total unison, Mr. President, but that we may move a little closer together. And to say that it is indeed gratifying when we can disagree as vociferously as some of us have and still feel as my colleague and I feel when we are departing this afternoon, that we hold no animosity and all that was said was said with the hope that it was in the best interest of the country. To our constituents, well wishers, supporters and residents of the country we wish a very happy, peaceful and prosperous yuletide season, and a very bountiful New Year.

Mr. President, I remember that next year we will have a new President and I am going to depart from what I had thought earlier and say to you that I have shed all feelings of misgiving. In keeping with the charity of the season I sincerely wish for you, Sir, a Merry Christmas and a Happy New Year and success in your undertakings and your ventures for the New Year. We wish that you remember us and I am sure you will do so fondly knowing that you are out of this adversarial arena.

Thank you, very kindly.

**HON. W. NORMAN BODDEN:**

Mr. President, I too would like to express our best wishes on behalf of the Elected Members of Council. In the spirit of Christmas, I would like to say that we wish for all Members of this Assembly, all our colleagues the very best for Christmas and good luck, and good fortune in the year ahead. I would also like to extend that to the staff of this Assembly which the Chair recognized, and others have recognized as well. And especially to Mrs. Mary Williams who has looked after us so well over the past five and a half weeks.

I would also like to take the opportunity to extend to the people throughout the Cayman Islands, our very best wishes and especially to our constituents in George Town. Also to wish for you and your family all the very best.

It has been mentioned that early in 1991, we will have a new Speaker and I too, am looking forward to the Speaker designated in taking up her appointment. I share the view of the First Elected Member for Bodden Town in that I believe the Governor will be pleased to be relieved of the responsibility that rests on him as Speaker of this House and I wish you continued success in your term as Governor of the Cayman Islands.

Thank you.

**HON. J. LEMUEL HURLSTON:**

Mr. President, I rise on behalf of the Official Members of the House to extend to you and Mrs. Scott, our greetings for the holiday season and to endorse the fine accolades that have been extended to the Clerk and the staff of the Legislature for excellent services rendered during this Sitting. We too, join those who recognised that in the New Year there will be a change in the leadership and Speakership of the Assembly.

I know that the Civil Service will welcome the additional time that will become available and I know too that there is no shortage of work to the work load that is already considerable in the Governor's office. We wish you and your family and all families of the Members of the Assembly a Merry Christmas and a Happy New Year.

**MR. W. McKEEVA BUSH:**

Mr. President, on behalf of my colleague the Third Member Elected for West Bay and I, I wish to extend to Members of the House and their families a very happy Christmas. We wish to thank the Clerk and her Deputy, the Serjeant-at-Arms and the entire staff, for all that they have done for us. This has been a busy year with long, and at times heated, meetings which put a strain on everyone. We have a good staff in the House, Mr. President, and I think all Members recognises that.

We would like to offer to the Commonwealth Parliamentary Association and all of the Members, our kindest greetings for the season and we wish for our constituents, the people of West Bay, indeed, the people of this country a most joyous Christmas and a prosperous New Year.

Mr. President, you are leaving this House and there is no one happier than I am to see you go. I speak with no ill-will. When you came into this House that day in May of 1987, I recall when I said that I intended to do my part if you did your part. Both of us has had our faults in this House. There were times when I felt that I was severely abused; my privilege, my rights in this House, and I took up the

challenge to do what I felt I had to do, that was to put my case across, however that might have appeared to some people.

Mr. President, a new Speaker in this House, (I believe) is going to bring about a change in the running of the House, in the decorum of the House and in the workings of our Standing Orders. I wish for you no ill-will, Mr. President, I am just happy to see you leave through these doors as President. I will welcome you back as Governor, but I am glad that you will not be the Presiding Officer. God bless you in your endeavors and may He give you more guidance as you seek to do what is right for the people of this country.

From Thistles" by Millay. It says;

"[Your] candle burns at both ends;  
It will not last the night;  
But, ah, [your] foes, and, oh, [your] friends -  
[Your going] gives a lovely light."

**CAPT. MABRY S. KIRKCONNELL:**

Thank you, Mr. President.

Governor and Mrs. Scott and your family, all Members of the Legislature and their families, the Clerk and her entire staff, and all of the people of the Cayman Islands, in particular, the people of Cayman Brac and Little Cayman for a very happy, prosperous, and peaceful Christmas. And may 1991, be an enjoyable year for all of us.

I sincerely hope that it will be more peaceful within this Chamber and I too, Mr. President, would like to say a few words as it is your last time in here. I would like to read a little tribute which I made. I read:

I welcome the opportunity to pay tribute to his Excellency the Governor Mr. Alan Scott, who has served as President of the Legislative Assembly of the Cayman Islands over the past three years. We have been very fortunate to have the permission of the Foreign and Commonwealth Office which allows the Governor to act in this capacity, and we are very grateful to the various Commissioners, Administrators and Governors who have fulfilled this task willingly and ably over the years.

Our country, however, has developed which is obvious to all and new responsibilities often bring with it changes. As much as we are grateful to the Governor for serving as President of the House, we realise too, that his administrative and executive responsibilities are now greatly increased and we are aware that his duties of the House took up much of his time which could often be better spent for the good of our Islands in other executive matters.

Bearing in mind that Mrs. Sybil McLaughlin has been appointed Speaker of the House, we welcome her to the post and are confident that with her experience the House will be in good hands.

To His Excellency the Governor, Mr. Alan Scott, I would like to express my most heartfelt gratitude for serving as our president and we wish for you Mr. President our best and I wish to assure you my continued respect and support.

Thank you Mr. President.

**MR. PRESIDENT:**

This may be the last time that I make the mistake of not waiting long enough for somebody to speak, so I am waiting quite a long time.

Before I do put the question, this has been a long meeting, indeed a long Legislative year so I imagine a few more words would not spoil it entirely.

It has been a year of very great interest and significance and on occasion, as one Member said, the expression of quite strong feelings. I have been the President of many different organisations over the last 30 years and I think this is probably the most unusual organisation of which I have been President. It has been a privilege, although often a demanding one, to have served as your Presiding Officer for some three years. And I shall be proud to be handing over in February to the first Caymanian Speaker.

It is perhaps not the moment for me to say who is the happiest person in this House on the change. I will leave it to Members' fertile imaginations. But I shall propose to say something more formal and at length in regard to the Speakership on a more appropriate occasion.

Thank you for your kind remarks, which I shall have pleasure in passing on to my wife.

15th February, 1991.

The question then is that the Assembly do stand adjourned until

**QUESTION PUT:        AGREED.**

**AT 3:15 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M.  
FRIDAY, 15TH FEBRUARY, 1991.**