

**WEDNESDAY
27TH NOVEMBER, 1991
10:05 A.M.**

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 II, 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 Speaker of the Legislative Assembly, 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.

Let us say the Lord's prayer together:

Our Father who art in Heaven, Hallowed be Thy Name, Thy Kingdom come, Thy will be done 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.

MADAM SPEAKER:

Please be seated. Proceedings are resumed in the Legislature.

APOLOGIES

MADAM SPEAKER:

We have had apologies again for absence, the Honourable the Elected Member for Health and Social Services. I also note that the First Elected Member for Cayman Brac and Little Cayman is also absent.

Little Cayman.

Questions. The Second Elected Member for Cayman Brac and

QUESTIONS TO HONOURABLE MEMBERS

THE SECOND ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE

NO. 267: Would the Honourable Member say whether Government has given any consideration to the extension of Owen Roberts Airport runway towards the North Sound?

ANSWER: The Civil Aviation Authority has requested the Director of Civil Aviation to carry out a study of the possibilities of extending the runway at Owen Roberts International Airport, addressing such areas as:

- (1) the amount of extension that would be necessary;
- (2) alternatives as to where and how such extension should be constructed;
- (3) the estimated cost of such extension; and
- (4) the period of time that such an extension could be completed.

The study is still in progress and is expected to be completed early in 1992.

SUPPLEMENTARIES:

MADAM SPEAKER:
and Little Cayman.

Supplementary. The Second Elected Member for Cayman Brac

MR. GILBERT A. McLEAN:

Would the Member say if there is any extension to be done in the present work that is being undertaken on the runway at this time?

HON. W. NORMAN BODDEN:

No, Madam Speaker, the work that is currently in progress has to do with the resurfacing of the runway and the General Aviation Centre, the ramp in that area and lighting and markings of the runway and ramp area. As a Phase II we propose to do some repairs on the taxiway but there is no extension involved in this specific project.

- MADAM SPEAKER:** The Second Elected Member for Cayman Brac and Little Cayman.
- MR. GILBERT A. McLEAN:** Thank you, Madam Speaker. Could the Member say if any thought is being given to "black-topping" some of the area beyond where the asphalt presently ends, as the runway is presently located?
- HON. W. NORMAN BODDEN:** No, Madam Speaker.
- MADAM SPEAKER:** The Elected Member for East End.
- MR. JOHN B. McLEAN:** Madam Speaker, I wonder if the Member could say whether Government has given any consideration to working out some sort of arrangement with the present dredge owners on the Island say to stockpile material for such an extension?
- HON. W. NORMAN BODDEN:** Madam Speaker, some preliminary discussions have taken place but it depends on how the project for any extension would be undertaken. I do not think that it has yet been decided and I guess this Report would produce that sort of information as to whether, in fact, the extension would be towards the North Sound.
- I know some preliminary work was done regarding a possible extension towards the North Sound not involving dredging. Some tests were performed that enable the engineers to make some preliminary comment on that. However, that is the situation as it stands now and we expect that the Report will address any alternatives.
- MADAM SPEAKER:** The Elected Member for East End.
- MR. JOHN B. McLEAN:** Madam Speaker, I wonder if the Member could say if the material would not be coming from dredging, where would it come from?
- HON. W. NORMAN BODDEN:** It depends on whether they would use material from the quarries or from elsewhere on the Island, not necessarily from dredging. I think what I am referring to is that in a preliminary discussion with engineers, they did some tests that proved that the area into North Sound - there is a project that could be undertaken that would not involve dredging. It would be piling material in on the solid foundation, for example, that was found on the sea bed similar to the extension that was done in order to recover the aircraft that was involved in the incident some time ago.
- MADAM SPEAKER:** The Third Elected Member for George Town.
- MR. TRUMAN M. BODDEN:** Thank you, Madam Speaker. Would the Honourable Member say why the survey was not carried out earlier to see whether there could have been economy of cost when he was doing the \$8 million or \$9 million worth of work now on the runway?
- HON. W. NORMAN BODDEN:** Madam Speaker, the Civil Aviation Authority some time ago considered whether an extension should be made, whether it should go towards the Crewe Road area or whether it should go towards the North Sound. However, in putting the Authority's priorities in order based on the engineer's report, it was considered that the most urgent need was to do the re-surfacing first.
- Extensions depend on the needs of airlines operating into the Island and there are some airlines that operate type of aircraft that really are quite satisfied with the length of the runway as it is because the more modern aircraft do not require extended lengths of runway. But it was considered off and on at various times and it was felt that the first priority would be to re-surface the runway.
- MADAM SPEAKER:** The Elected Member for East End.
- MR. JOHN B. McLEAN:** Madam Speaker, to follow on what the Member has just said, could the Member say whether it would not be in the interest safety that this extension go on through to the North Sound?
- HON. W. NORMAN BODDEN:** Madam Speaker, I support that an extension should be done at some stage. As to whether it does go towards the North Sound or some other alternative is found, I think that would be best left to the engineers and to get a professional opinion on it. It would seem to me the most logical extension would be towards the North Sound but maybe the engineers might have other views on it and of course the cost factor would have to be taken into consideration as well.
- I am sure that would be a consideration but I am not in a position to state, at this stage, that it would definitely be towards the North Sound.
- MADAM SPEAKER:** The Elected Member for East End.
- HON. W. NORMAN BODDEN:** Madam Speaker, I wonder if the Member could confirm whether or not it is correct that a proposal was made to Government, some sort of multipurpose proposal, whereby fill

would be taken from the North Sound, extend the airport and at the same time develop a facility for tour ships?

HON. W. NORMAN BODDEN: No, Madam Speaker, I do not recall any specific proposal being made along those lines. I think there were different sort of "off-the-record" discussions taking place at various stages with some of the dredging companies locally and who are probably operating in the area but I am not aware of any specific proposal being made.

MADAM SPEAKER: May we go to the next question which is No. 268, standing in the name of 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. 268: Would the Honourable Member say what financial arrangements does Government have for the paying of laboratory testing of specimens sent to the United States of America by the Police?

ANSWER: In general, the United States' Authorities give free assistance to the Royal Cayman Islands Police when forensic tests are carried out on specimens forwarded to them.

Exceptions to this rule are the analysis of urine samples for which a charge of US\$25.00 per sample is made and the analysis of hair or fibers which are contracted out by the forensic laboratory to a free-lance expert who charges US\$750 per day for his services.

Additional travel and subsistence costs are incurred in the transport of cocaine samples which, unlike urine samples, cannot be forwarded by post. In an effort to minimise costs, such journeys are kept to a minimum and, where possible, will be made when an Officer has another reason to travel.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementary. The Second Elected Member for Cayman Brac and Little Cayman.

MR. GILBERT A. McLEAN: Madam Speaker, would the Member say if because of the arrangement where free assistance is given by the US Authorities there is not a considerable hold up of getting reports back since it would seem to follow that such specimens sent from the Cayman Islands would have to sit on the back burner until those for the United States were attended to?

HON. J. LEMUEL HURLSTON: Madam Speaker, I have no information to suggest that the "free" element results in any unusual delay. Any delay that is incurred would have been incurred, it is my understanding, regardless of whether it was being paid for or not. I do not know that there is any delay as a result of it being free.

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I wonder if the Member could tell us exactly how urine samples, for example, are transported to the United States? Are they in the custody of one officer, two officers, or what?

HON. J. LEMUEL HURLSTON: Madam Speaker, my understanding is that samples are taken and sealed in a particular fashion and witnessed by the donor of the sample and that the samples are then forwarded either by courier by hand or in the case of urine samples, are sent via post. Cocaine samples, for example, are taken by courier, urine samples are sent by post.

MADAM SPEAKER: The Second Elected Member for Cayman Brac and Little Cayman.

MR. GILBERT A. McLEAN: Madam Speaker, would the Member say if in a recent case involving a doctor employed by the Government there has been considerable hold-up in having certain specimens examined to the detriment of the officer who is presently suspended because of the free work arrangement?

HON. J. LEMUEL HURLSTON: Madam Speaker, my understanding is that certain tests have to go through rather elaborate processes and varying stages, and that once the process has commenced the time taken for the subsequent steps cannot be shortened. That is the reason for the believed delay in the case to which the Member refers.

MADAM SPEAKER: If there are no further supplementaries, that concludes Question Time for today. The next item on the Order of Day is Government Business. Continuation of the Debate on the Budget Address. The Honourable Elected Member for Communications Works and Agriculture continuing.

GOVERNMENT BUSINESS**BILLS****SECOND READING**

THE APPROPRIATION (1992) BILL, 1991

**CONTINUATION OF THE DEBATE ON THE BUDGET ADDRESS DELIVERED BY
THE HONOURABLE FIRST OFFICIAL MEMBER, FINANCIAL SECRETARY, ON 15TH NOVEMBER, 1991****HON. LINFORD A. PIERSON:**

Thank you, Madam Speaker.

On Monday last when I started my debate on the 1992 Budget unfortunately, I had only a little over an hour available to me before the adjournment of the House as very wisely and understandably the House was adjourned at 1:00 PM. rather than the usual 4:30 PM.

Also a disadvantage is that a speaker who is on his feet at the close of a Monday's debate is disadvantaged in that Tuesdays are usually used for Executive Council and he is then not able to continue that debate until the following Wednesday morning. It is because of the break in the continuity why I feel that it is appropriate that I should quickly summarise some of the points made on Monday.

Madam Speaker, briefly I emphasised on Monday that the Backbench, those Members who had spoken, in their valiant efforts to discredit this Government had only made but a feeble contribution in so doing. But before continuing, I wish to correct (if it is necessary that I correct) a statement made by me on Monday. It was brought to my attention by the Second Elected Member for Bodden Town. He told me that in his debate he did not say that Bodden Town had been out of the use of a ramp from 1973.

Madam Speaker, that admission does not absolve him from his responsibility for providing boating facilities such as a ramp for the people of that district. I am sure that the Honourable Member is not suggesting to the listening public, his own constituents or the Honourable Members of this House that the people of Bodden Town did not own boats between 1976 and 1984. Even if he made the point in his debate that he was trying to push for a boat ramp from 1984, he had eight long years to have provided his people, the people of Bodden Town with such a facility, yet did not see the need until he was removed from power and a new Executive Council was elected. His feeble excuses I am sure are being noted by his constituents.

Madam Speaker, I am not going to say much more about that Honourable Member for various reasons because I know the main reason being, as I said on Monday, is that that Honourable Member not only has experience in political matters but he has the knowledge to go with it and much that he says in this Honourable House is political rhetoric, and we know that.

Madam Speaker, I notice that the Honourable Member is trying to catch my attention maybe he wishes to have me give way to him?

MR. G. HAIG BODDEN:

No, Madam Speaker, I hope I do not get to that.

HON. LINFORD A. PIERSON:

All right, I was just being gracious to the Member, Madam Speaker. Madam Speaker, as regards the Third Elected Member for West Bay, I recall an outstanding lady in our community whenever she heard nonsense and rubbish being spoken by people who professed to know what they were saying but she was sure that it was incorrect, that lady would, in a smiling and knowledgeable manner say, "Poor thing." That was more eloquent than anything she could have said. She never ridiculed a person but deep down she knew that they were talking rubbish. As an individual who sees himself and I believe is seen, not only by my constituents but many people in this country, as one who is capable of filling the job he is filling, I find it difficult to reply to nonsense.

Madam Speaker, it is always good to hear good, constructive debates. This is why I have always advocated a very knowledgeable and constructive Opposition because I truly believe that the strength of any parliament is dependent on good opposition. But I stress "good and constructive" opposition. Opposition from people who know what they are talking about.

When we hear individuals such as the Third Elected Member for West Bay get up in this House and attempt to chide Government on economic and fiscal measures one wonders what his claim to fame is and how solidly based his advice is. What indeed, are his qualifications to criticise Government and the Financial Secretary, who is Government's Financial Adviser in financial affairs, for not carrying on a sound, fiscal policy for this country. I am not taking anything away from that Member I am just reminding him of his limitations.

It also bothers me that he seems to have been self-appointed as my main critic in this House and I wonder why? Madam Speaker, I touched on the fiscal performance of this Government as highlighted in section 4.1.6. of the Honourable Financial Secretary's Budget Speech. It was made quite clear.

The Budget Speech delivered by the Financial Secretary is not consistent with remarks made in this House that this country is in a serious financial position. What is indeed the basis for such a statement? Why did I not see or hear the Third Elected Member for West Bay give facts to support his statements? The reason being that he had no facts. There are no facts to support such wild allegations.

Madam Speaker, we have heard Members get up in this House and say to the Elected Members - they separate from other Members of Executive Council, when in fact if they read the Constitution and understood it, they would know that we work as a group under collective responsibility - but

we have heard them get up in this House and ask us to resign. Which one of them is more qualified to fill the position?

We can look at the track record of some of the "old boys" as they call themselves, the "old guard". What did they do during the eight years from 1976 to 1984 to give them the right to ask the Honourable Members of Executive Council to resign? What more are their qualifications than the Elected Members of Executive Council to qualify them for these positions? I do not think that you will have a problem, Madam Speaker, when I sit down, in having to wait for five minutes to have somebody to speak. I think you are going to have people jumping up to speak because it is time that this country understands that some of the Backbenchers that were put here to offer proper representation are playing politics and playing footsies with the economy. They should stop playing politics and give the people the facts.

Madam Speaker, I invite any Member of the Backbench to do a profile on the Elected Members of Executive Council. We are not perfect, far from it. I, for one, am not perfect but I try to learn from my mistakes, and I have made many. I pray to God that they will never be repeated. But I do not see any Member who is criticising me or my elected colleagues who has done a better job in the time allotted to him, than we have done. I will come with more detail on that.

Because we have been criticised of doing nothing, I intend, before I take my seat, to tell the people of this country what my Portfolio, in three years, has accomplished for this country. I intend to show them the stewardship of my Portfolio. I am tired of hearing baseless criticism. We hear about all the things that Government is not doing but we do not hear about the things that have been done over those three years.

On the one hand we are told, "Tighten your belts," according to the Third Member for West Bay but on the other hand he is saying, "The Member for Communications and Works is playing politics. He will not give me all of the roads that I want in West Bay. He will not provide all of the money that I need for West Bay." Yet, the Member is not tightening his belt enough. Some of these Members speak with forked tongues. They are not consistent.

I am satisfied that this Government is doing the very best that it can under the circumstances. One can compare the stewardship of this Government with that of even some of the most advanced and progressive Governments in the world today and see if we do not stand tall.

Look at the great United States of America with the financial and economic woes that that country is going through with all of the expertise available to them. Unemployment is out of control. People are homeless, sleeping on the streets. I am not suggesting for one minute that we do not have problems here. We have some people who are unemployed but this Government is doing its very best to cope with those problems.

We were criticised for not providing enough roads, for not providing enough street lights, but I touched on that on Monday. I was at the point where I was listing in detail some of the Capital Works, but in particular, roads that had in fact been carried out between the period of 1989-1991. Some of those Capital Works are in the process of being done by the end of December this year, but they are in fact, included in the revised figure for 1991.

Madam Speaker, what amazes me is that some of our biggest critics have not, during their stewardship, demonstrated to this country that they are more capable than the present Executive Council. Even in the case of the Member for Communications, myself, I am doing twice the amount of work. I have twice the responsibility that any of my predecessors held in that post. What I took over in 1988, I was given two Portfolios, a combination of the Portfolio held by the then Member for Communications and Works, Captain Charles, together with the Portfolio which was held by the then Member for Natural Resources, Mr. Johnson, and they were combined.

The Health and Education Portfolio was split so I was given two Portfolios, yet I am doing more, with twice the responsibility, than any of my predecessors who might want to criticise me. I will demonstrate that because I never make a statement in this House that I cannot back up.

I will open myself to any challenges on that because I will show the people of this country that in three years I have done more than any other Member who went before me in that Portfolio. When I hear criticism, as I said, from certain Members, like a lot of the listening public, some of them even turn their radios off, they know it is political rhetoric. When I see the truth clouded by some of them, the public also understands that they are clouding the truth, but when I hear some those who regard themselves as saints, little angels, bending the truth, then it makes me worry.

Madam Speaker, whatever I quote from in this House is subject to public scrutiny. Whenever I rise in this House, I clear my facts with my technical advisers. If I make a mistake, I am the first one to get up in this House and bring it to the attention of Honourable Members that a mistake was made because my intention is to bring the facts to the people of this country.

On Monday I ended my debate in giving a profile of the Capital Projects which had been done in each district in 1991. One may say that the Budget should be just on Estimates for the ensuing year but when one is debating a budget, the surplus or deficit position of the country takes into account the stewardship of that Government in previous years, in particular, the present year that we are in because the revised figures of Government play an important role in determining the surplus or deficit position. So each Member of Executive Council has a duty to tell the country how he has performed his stewardship during that particular year, and I will do this.

In 1991, we have been accused of playing politics. The figures, as provided to me by my Executive Engineer for Roads, paints a different picture. I, or none of my colleagues, as I am aware, play politics but some of the Members accusing us of this, they are well experienced in how that is done because they did it full time while they were Members of Executive Council. So they are experienced, they are past

masters of playing politics. They can tell us what that this is all about.

I do not play politics. I am not and do not want to go down in the annals of the political history of this country as being a parochial politician. I want to be more of a national figure, a leader in my country who looks after the national needs including, and I emphasise that, including the needs of my constituents. But if a road needs to be fixed in East End, it is done. If it needs to be done in Bodden Town, West Bay, North Side and we have the funds to do it, Cayman Brac or Little Cayman, the roads will be done, as I can demonstrate from the figures I have before me. We do not play politics. Madam Speaker, we are good stewards. The country will see at the end of our four years that we have done a good job.

In West Bay during 1991, as I stated on Monday, just to continue, we spent a total of \$86,569. I know that certain Members of this House will get up and say, "We have work that would value millions of dollars which should be done." But we do not have a bottomless pit. We can only put into the economy what we are able to extract from it and I will deal with the composition of the revenue structure of this country so that the people of this country will know that we do not have any magical ways of finding needed revenue.

We have only the traditional ways, even though I notice that Mr. Rick Catlin seems to feel that the idea of "impact fees" is a new one. That is not new. We have been examining this possible area of new revenue measures for quite some time in a committee in particular that has been set up by me in my Portfolio to again have a close and serious look at the roads problems in this country.

I am the first one to admit that we are having problems with our roads in this country. This is not new. But we also know that during 1991 we have more rainfall in this country than in many previous years. This has contributed a lot, I am not saying totally, but it has contributed a lot to the problems that we have with our roads today. As soon as our men from Public Works go out and start to repair a road, it starts raining. You cannot put marl into holes that are filled with water. You end up with slush.

Madam Speaker, Honourable Members of this House also know that as recently as the last sitting of Finance Committee, funds were requested by me and approved and that those funds are available for the Public Works Department. They have sent their work programme into me and they are willing to get started as soon as possible, as soon as the weather will permit. What is worse yet we recently found out that this country is suffering from a severe shortage of marl. But I am seeking to try and have that problem rectified.

Madam Speaker, much work is being carried out right now. One has only to look around and they will see that a lot of work is being done but much more needs to be done. I sympathise very much with those people who are suffering and can only promise them that as soon as the Public Works Department can get into their area, they have already been directed by me to do the work. As I said, I can understand the problems they are having with the amount of rainfall and other constraints in that Department.

During 1991, a total of \$911,720 was spent in George Town and I have the details so that the Third Elected Member for George Town will get his facts right. I will give him this, he can read from it when he gets up to speak. Or as far as that goes, I will make it available to any Member who wishes to speak after me. As I said, Madam Speaker, you will not have to wait for five minutes when I finish. In Bodden Town during 1991, even though we have been accused of playing politics, nothing was done in Bodden Town, the records show that \$107,804 was spent. The breakdown of that was in Savannah Heights, Phase I, \$10,968; Savannah Acres, the roads were given a second application costing \$96,836.

Madam Speaker, the Member for East End has not spoken yet but I would just like to mention that there was \$206,078 spent in that constituency in 1991 or will be spent by the end of December, 1991. This is why it is unfortunate that in this Honourable House Members try to out-wait each other. I believe, on a subject such as the Budget, the Backbench should jump at the opportunity to offer constructive criticism, as I did when I sat on that Backbench. I remember my first Budget Debate. The Hansards of this House will show, if I am not mistaken, that I was the first Member to get up and debate it because I had something to say. I do not need to wait to hear what other Members are going to say before I get and speak because I am not debating what other Members say, I should be debating the document before me whether it is the Budget Debate, the Throne Speech or any other matter before this House.

This nonsense of playing politics and trying to out-wait each other, Madam Speaker, when I did not speak for five minutes on Monday it was mainly because I had no intention of speaking at that point and I was involved in doing something else. But rather than have such an important matter as the Budget Debate closed at that point, I rushed in and did what I have been elected to do and that is offer my country good, solid representation.

In North Side they say we play politics. Of all the constituencies, North Side got the least. There was only \$16,044 spent to repair Craddock Drive with a second application during 1991. I am going back a bit, rather than coming forward from 1989 to 1991, I thought it would be better understood if I went back to show what we have done.

In 1990 a total of \$341,348 was spent in West Bay. I will not take the time of the House to give this breakdown but if anybody wishes to challenge me on those figures, I would be happy to do so.

In George Town during the same period, when the Backbench had the full sway of Finance Committee, when this was engineered by the Third Elected Member for George Town as I understand, he could only get for George Town, when he had the opportunity to do it, out of all the money that was spent in 1990 on roads, he managed to scrape \$144,000, when places like West Bay got well over \$300,000. Is that good representation?

In that same period, when they talk of fiscal prudence, when they tell this country that they rescued the country, they created the demise of the MGTP, they are proud to say

that. I wonder how proud they are today to see their own constituents suffering in the traffic, coming from Bodden Town, East End and North Side in the mornings and in the afternoons, or coming from West Bay and being tied up in traffic, getting late for work? Are they proud of that? What constructive suggestion have they made?

Bodden Town during 1990 had over \$500,000 for their roads. They had \$513,487, yet the Second Elected Member for Bodden Town has the temerity, to use his phrase, to get up in this House and say, "Since the Member for Communications took over he has only played politics. Bodden Town has nothing." They only got the biggest allocation of any district for roads during 1990. East End received and spent \$99,290 on roads.

Again, our colleague on Executive Council for North Side got the smallest allocation, as he did in 1991. He got \$52,458. Out of all of the money they shared up amongst themselves. That is the kind of representation that the Third Elected Member for West Bay is talking about. When they can take it and do as they please.

In 1989 West Bay received \$44,513 for roads, yet you will hear the Third Elected Member for West Bay tell you, "That is too small." But on the other hand, he is allowing the *Caymanian Compass* to come out with a lot of the hot air that we heard in here on Monday and saying, "Time to tighten your belts." Well I can advise that Member that we are doing just that and that his district will also have to tighten its belt. I am not too concerned with remarks made by that Honourable Member because you get the most noise from an empty drum, so that does not bother me.

In Bodden Town in 1989 we spent \$100,000. In East End for the same period we spent \$76,858 and in North Side they managed to get \$89,800. That is the way in which the money was spent on roads ever since I took over my Portfolio. That is the way it was spent on roads in Grand Cayman.

Now if any reasonable Member of the Backbench who wishes to tell the truth in this matter can get up in here and say that the Member for Communications played politics with this allocation, then certainly he does not understand what he is saying.

Madam Speaker, as I mentioned, much criticism has been levelled at this Government for plans and policies in the use of consultants. When I came into the Portfolio, with I would say some amount of experience from my Civil Service days, one of the first things that I discussed with my Portfolio staff was that the last thing I wanted to hear from them was their political leanings. I was not interested. All that I wished to have from them was their loyalty and hard work because I had a programme in mind for this country. That is the only reason why I am in the House today. I feel that I have a contribution which I can make to this country and I believe that my stewardship will show that in three years I have made a tremendous contribution.

When I came into the Portfolio in 1988, the MGTP was in place. The final documents had been done. The first thing I did was to put my Public Works Committee and others together to see what was possible to implement those plans and whether the country could afford it. We were also working on a financial package to determine whether we could put in the needed roads in this country but that project was shuttled and the Members responsible for doing it took the money and shared it up amongst themselves for political reasons.

They were not concerned that by not even suggesting a better way that they were disadvantaging and inconveniencing the general public. No, their bigger aim was their parochial needs so that they could build up their own political standing with their constituents. Then they call themselves leaders capable of replacing this Government.

All was not lost with the MGTP. Fortunately with the fortitude of my Portfolio and that of Public Works and my colleagues on Executive Council and the First Elected Member for Cayman Brac, we were able to get a few things done. No one can dispute that the implementation stage of the MGTP did not produce good results. One example is the "T" junction or the cross roads down by Four Tee's Esso station.

One understands and remembers the amount of problems we had before we had that third lane going into Eastern Avenue. That was one of the MGTP projects. Another one was the traffic lights at the junction of Thomas Russell's Way and Crewe Road. Another one, and I am doing this from memory, was the junction at Eastern Avenue and the Shedden Road area. All were needed.

Instead of taking the MGTP and revising it, if they were so interested in this country, they shuttled it with no better plan or policy for our roads. But, as most Members know, I am not easily discouraged. I have been elected by my people to do a job and by the help of God, I am going to do that.

Shortly after the shuttling of the MGTP, I appointed a committee known as the Grand Cayman Roads Improvement Plan Committee (GRIP) to conduct a study. Very soon we will have our first report on that but like any other project, there is no magical way of paying for these roads. One only has to look in detail at the breakdown of our revenue structure and one will see where the money comes from.

Madam Speaker, thank God we have men who will not allow this country to go the route of any form of direct taxation. I am happy to be associated with a group of colleagues who would rather take funds out the General Reserves because that is why you build up a General Reserve, for a rainy day, and if the Third Elected Member for West Bay does not realise that this country is suffering one of its worst recessions, then he is burying his head in the sand, or maybe he does not understand.

He suggested, in his wisdom, as perhaps the self-appointed financial expert on that side, that Cayman should lower its interest rates, that is the way to control your economy. I wonder if that Member could explain the next time he is speaking, how we would go about doing this when our interest rates are controlled by external factors beyond our reach? The banks in this country set their interest rates according to US Prime, UK LIBOR, the vagaries of the external factors. Yet we hear that Member get up here and chide Government for not taking this route.

Madam Speaker, the \$115,859,976 that we hope to get from revenue during 1992 will come in 1992 from the same sources, which is an indirect form of taxation, as it has done ever since this country was born. We have no other form that we can fall on or that we wish to fall on at this point in time because the day that we ever become so foolish as to suggest that this country adopts a direct form of taxation is the day that we will write our own death sentence.

Madam Speaker, our revenue comes from duty, taxes, licences, sales, fees, fines, broadly speaking, services, rental and leases, miscellaneous items and from contribution through repayments. Now it might be understood by this Honourable House exactly what those items are comprised of but many people in the listening public do not understand this and this is why they are concerned when they hear responsible people like the Second Elected Member for Bodden Town and the Third Elected Member for West Bay getting up in this House and saying that we should be looking at other areas to tap. But they did not say what other areas they were talking about because they do not know. It is easy to talk. Talk is cheap.

Duty provides the greatest source of revenues for this country. Duties are an indirect form of taxation and I am the first to say, from my knowledge of finance, that it is the perhaps the most regressive form when you take into account the ultimate effect it has on the little man in the country. But of the two evils it is the best and wisest way to go because the very prosperity, the very high standard of living that we are so glib to boast about, could be destroyed. If we recall, our economy is based solely upon two factors. It is based upon our financial sector and tourism, even though the Portfolio for Communications is making a valiant attempt to diversify the economy by bringing in a very strong agricultural sector, on which I will have more to say.

Of the \$115.8 million almost \$60 million will come from duty and that will be collected on motor vehicles, gasoline and diesel, alcoholic beverages, tobacco, land transfer and other duties.

On taxes it will include not a direct form of taxation but taxation nonetheless, indirect, on motor vehicles, tourist accommodation tax, etcetera.

Madam Speaker, I was somewhat amazed to read some of the suggestions that were raised by the Third Elected Member for West Bay. We need to cut taxes, he says. My question is replace it with what? Replace it with what? He does not know, Madam Speaker. He is like a parrot. "We need to cut taxes. We lack priorities," he says. Yet, he is unable to say where and how those priorities could be better improved. He had a lot to say about tourism and banking. He seems to be the expert on that. Companies fees he also touched on. But I am satisfied that before any increases were made on companies or otherwise, that the Honourable Financial Secretary, in his wisdom, got feedback from the financial sector as to the effect it would have.

Criticism was levelled at increases in diesel. It will cause a major impact. We appreciate that any charges made to developers, investors, or business people in this country are eventually passed on to the consumer and perhaps it would be good also for Mr. Catlin to understand that he cannot take impact fees in isolation.

You cannot compare it with what happens in the United States of America because when a developer develops in this country because of the structure of our revenue system, he, out of necessity, in order to get his goods to this country, is mandated under the law to pay an impact fee in the form of duties, Port fees, etcetera. In the United States the developer can just drive a few blocks and pick up what he needs without having to pay any duties or anything else on it.

The problem is too many of our speakers in this House and outside have gained the little knowledge they have in the United States and do not understand the way this country runs. We cannot compare the Cayman Islands with the United States and this is why, before we come to this House as reasonable Members of Executive Council, we study carefully the ultimate effect and the direct effect any increases will have. I wonder where the proponents of impact fees believe the charges will ultimately end up? If it is their view that a developer is going to come to this country and pay another \$5,000 for building a home, or a condominium development say, and that he is not going to attempt to recover the cost from the people who are purchasing those units or that will benefit from the development, then they do not understand business.

Similarly, this will apply to the office rentals. It would apply to hotel rates charged to tourists, etcetera. They will not absorb that or take it out of their profits. But excepting that point, we are still examining the possibilities of introducing an impact fee in this country but we are going about it very carefully. The Cayman Roads Improvement Plan Study is, seriously, now examining that possibility. so when I said that this is nothing new, that was exactly what I meant.

Madam Speaker, the Third Elected Member for West Bay, who seems to be my major critic, again expressed his concern over the size of the Budget. But that Member did not even make a feeble attempt to try to suggest how this could have been better handled. The reasons, he does not know. Madam Speaker, I do not mind criticism but I like to know that when I am criticised those critics not only have the grounds and knowledge to criticise me, but that they have a better plan of action.

Continuing on where the money will come from, under licences we are hoping to receive almost \$14 million from our banks and trust companies, insurance licences.

And for the first time in this country's history we can boast that through the negotiations that have been ongoing through my Portfolio with Cable and Wireless that we, this year, were able to include for the 1992 Budget, some \$2.5 million that will benefit this country. Why did the Members who filled my Portfolio before me not attempt to negotiate such a good arrangement?

Madam Speaker, if my understanding is right, that amount might even exceed the \$2.5 million of the year. Two point five million dollars is compared from Cable and Wireless with the amount we will receive from Caribbean Utilities of \$156,671. That is a Member who is not doing his job? It is mainly because those Members who level such baseless criticism are not able to understand the intricacies of the

job.

From sales we are expecting to receive during 1992, \$1.8 million and that will come from postage stamps and other postage business. But because of the increase in our technology one will see over the period of years to come that revenue from postage stamps will gradually decrease as more and more people avail themselves of the use of facsimile machines and other modern communications equipment.

Under fees from which we hope to obtain some \$20.3 million, these funds will come from companies, work permits, garbage collection, school fees, MRCU disinfection fees, and from the Agricultural Department fees. These are the avenues open to us. But we cannot continue to squeeze these areas. I would suggest that very soon whichever Government will want to seriously look at the financial structure of this country, may have to make some serious decisions.

We cannot continue to squeeze those areas that are most important to us. Yet, at the same time we must provide this country with the services that it has been accustomed to receiving and that it demands especially through our financial sector.

Much has been said about cutting Recurrent Revenue but before any other Member of the Backbench gets up and starts spewing such rubbish, I would invite them to read their Budget and try to understand how the Recurrent Revenue is built up and understand that of the total amount, 43 per cent is going into Civil Service salaries.

MADAM SPEAKER: Is this a convenient time to take a suspension?

HON. LINFORD A. PIERSON: Yes, Madam Speaker.

MADAM SPEAKER: The House will be suspended for 15 minutes.

AT 11:31 A.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 11:52 A.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed. The Honourable Elected Member for Communications and Works continuing debate.

HON. LINFORD A. PIERSON: Thank you, Madam Speaker.

Madam Speaker, at the break I was dealing with the revenue side of the Budget and I believe that I am now able to conclude this section of my debate on Government financial position without having to detail any further areas of our recurrent budget because I believe that the listening public, is a very intelligent public and that they fully understand that much of what they are hearing here about mismanagement, calls for resignation, and otherwise, is mere politics. There is no good, substantial reason for some of the political rhetoric we have heard in this Honourable House.

Madam Speaker, as far as the financial position of this Government goes, I would like to take a few minutes to look at the Summary of 1991 Revised Estimates of Revenue and Expenditure and then look at the Summary of 1992 Estimates of Revenue and Expenditure. That may be found under Tables 2A and 2B of the Budget.

At the beginning of this year our Local Revenue position was \$109.5 million. The Local Recurrent Expenditure for that same period was \$105.6 million and the Statutory Expenditure which is a fixed fee or fixed expenditure that has to be paid was \$7.4 million. This left a current deficit for the end of 1991, this year, without taking into account any financing measures such as borrowings or General Reserves Transfer or anything, it left a deficit on the Current Surplus position of \$3.56 million. When the needed Capital Expenditure was added to that we ended up with a deficit of \$18.3 million. That deficit was financed as follows.

We had brought forward at 1st January, 1991 a total Surplus of \$5.6 million. We transferred no funds during this year from General Reserve and I wish to make that point very clear. That is for the 1991 Budget. We are looking now at the revised position. We also obtained during this fiscal year, which ends on 31st December, 1991, a total amount of \$13.8 million from Local Loans and there was an amount of \$944,000 from External Loans with no transfers from our General Reserves which left an Accumulated Balance or Surplus of \$2,093,624 at the end of this year, that is 31st December, 1991. This is the revised figure.

As we all know we are now in November so it is difficult to know what the actual position will be but that is the revised position, as prepared by the Honourable Financial Secretary.

This year much of the Capital Works needed for this country has had to be shared up over ensuing periods. We were able to allocate so much for 1992 and some of the needed works will have, of necessity, to go into 1993 and perhaps beyond because we are only able to work within the financial constraints of Government, which is made possible through our revenue structure.

During 1992 it is estimated that our Local Revenue will be in the amount of \$114.8 million. Recurrent Expenditure will be \$107 million. Statutory Expenditure, which in this sense is the same as Recurrent in that it is something that we cannot avoid paying, will be \$8.3 million with a current deficit by the end of 1992, excluding the financing measures that we will require, of \$440,000.

But when we look at the Capital Expenditure that continued from 1991 into 1992, that have already been committed for and that are ongoing, we had to provide for \$7.9 million. The new Capital Expenditure for 1992 is estimated at \$5.4 million of which approximately 50 per cent has been

earmarked and allocated for the new George Town Primary School.

Madam Speaker, they talk about fiscal prudence. If they study this Budget they will see that this Government, as a collective body and as individual Members of Portfolios, we are exercising very strong fiscal prudence. New Services on a recurrent level will be in the amount of \$2 million. On Monday I gave a brief breakdown of where that money is going; staffing the Prison, teachers, etcetera. Things that this country must provide, services that the country must provide. Not any grandiose projects but essential services for this country.

The new measures of \$9.7 million have been explained by the Honourable Financial Secretary in his Budget Debate. The area that we seem to have gotten the biggest criticism on is the area of the increase in diesel. I am the first to admit that there will be a "trickle-down" effect on the consumers using diesel but of the two evils of tacking it on to gasoline that is used by the average poor man on the street, considering that 78 per cent of the diesel is used by Caribbean Utilities, then the trickle-down effect will not have as disastrous an impact than it would have, had we tacked it on to gasoline fuel.

Before any Member gets up and disputes that I would advise them to speak to the Honourable Financial Secretary and get an indication of what the estimated end result's affect will have on the consumer. Madam Speaker, I now turn to the area of my Portfolio's responsibilities as I feel that it is incumbent on every representative on Executive Council that has Portfolio responsibilities and in particular the Elected Members of Executive Council to tell their people the manner in which they have proved and carried out their stewardship in past periods. In particular the period now under review that carries the revised position of the Government's expenditures.

Madam Speaker, I believe that this House and the listening public will understand that the Member for Communications has been a good steward of the trust imposed upon him by the people of George Town. Unfortunately, because of my very heavy work load I am not able to see some of my people as often as I would like but I know that they realise that in order for me to accomplish a lot of the things that are needed in this country and in George Town, that much of my time goes into my office work.

There is not one week-end that I do not carry a briefcase of work to do at home that takes me late into the night to try and keep it up to date. This is mainly because of my heavy work load. But I am not apologising for that. I am happy that I am able to do or accomplish what I am accomplishing.

Madam Speaker, I wish to now turn to some of these projects. I probably do not have them all collated here but I will, in fact, give a list and then go into greater detail on departmental stewardships. Projects developed and implemented during the past three years in the Planning Department. What have I done for this country in the Planning Department over the past three years?

One of the first things that was done was the commissioning of a committee called the Technical Advisory Committee to report on the George Town commercial area and to decide within the financial constraints of Government how we could best improve the aesthetics of buildings, the whole layout of the town.

That document was tabled in this Honourable House and I would invite all Members of the House, together with members of the public, to avail themselves of a copy of that document. It was very comprehensively done and again, I offer my congratulations to Mr. Arek Joseph, the chairman, and other members of that committee who did a fantastic job in putting it together.

Still under Planning, the second was the Development Plan Review for Little Cayman. This was done because it was seen to be necessary. It was urgent. It was immediate. Of every 10 applications made to the Development Control Board, approximately 70 per cent to 80 per cent were in respect of Little Cayman yet we have no written policies for that Island. This was not seen as necessary when the Plan was produced in 1977 by the 1976-1984 Government. But I recently laid that document on the Table of this House, it is there now and I am inviting every Member of this House to avail themselves of the opportunity to read that document and also members of the listening public.

These are some of the reasons why a lot of my time has been taken up in assisting the country. Not just George Town but the Cayman Islands and there are three. You cannot talk about the Cayman Islands and forget Cayman Brac and Little Cayman. They are an integral part of the Cayman Islands. The third thing under Planning was the Street Naming and Numbering Study which will soon be reported on. That is now under consideration.

We also re-zoned key developmental areas. This was necessary because the proper reviews of the Development Plan, as stated in the law, were not carried out by the 1976-1984 Government. The reason, I have it documented, was because they felt it was too politically controversial. But had they taken the interests of this country at heart they would have realised that not every action you take on Executive Council is going to be the most popular. You have to consider what is in the best interest of these Islands.

Madam Speaker, I also tabled during this meeting of the House, the Cayman Islands Building Code. That is another matter that has been completed by me during my three years. This was pending from the early 1960s. An attempt was made back in 1981 when I was then the chairman of the Planning Authority but unfortunately, for one reason or the other, the machinery was not completed to complete this document, a needed document for development in this country. I vowed that whenever I got the opportunity that I would see to it that this needed piece of legislation and regulations was put in place.

I am happy that during my three years I have been able to complete this most comprehensive document. I have laid it on the Table of this House as a public document and as a working document so that the people of this country, in particular the contractors, can have a guide for 18 to 24 months, without penalties, in order for us to, at the end of that period, have a document that we can all be very proud of as we are at this point in time. That was a major accomplishment, as can be seen from the contents of that

document.

Again, without repeating the names, I wish to congratulate all of the Members without whose help this document would not have been possible. The important thing is, it has been completed and it was needed, as I said, from the early 1960s, there was talk about a building code for the Cayman Islands that was also completed.

Madam Speaker, during the sitting of the House it is my intention, as has been circulated to all Members, to bring an amendment to the Planning Regulations to prohibit any further development between the grid section south of Eden Rock down to the Lobster Pot Restaurant. The restriction will be basically a 75-foot setback which will, in effect, prohibit any further development in that area. This has also come about because of the wishes of the people of these Islands in general, but in particular, of my constituents.

I am not one, when a letter is written in the papers that may appear to be anti-my policy or Government policy, to go there and start criticising the writer. When I saw a letter coming from Miss Roulstone, right away I penned a reply to the *Caymanian Compass* congratulating that lady for views that were similar to mine and I trust that she is aware that this problem will be very effectively addressed under this amendment.

Madam Speaker, another important thing that the Portfolio is doing under Planning is called A Document for the Preparation of Tree Preservation Order. This was needed for a long time. It is heart-rending to drive around and see developers wantonly, and without conscience, destroy a lot of trees that took many, many years to grow, that are indigenous to this country, to see them use a big bull-dozer and knock them over.

Under this Preservation Order it will be mandated that they will have to preserve these trees where possible and that they will have to get Planning's permission to be able to clear any of these before doing so. This will be done under the Planning Regulations now being prepared. Madam Speaker, one of the major tasks that will be undertaken by the Planning Department is the review, the major, comprehensive Review of the Development and Planning Law and Regulations.

One Member said to me that it is an unpopular move in a pre-election year because matters to do with Planning are so controversial. When I took the position as the Member responsible for Communications, Works and Agriculture, I was not seeking a popularity contest. I did not feel that I was entering such a contest. I took that position to give the very, best possible service to my country.

Some of those things are actions that I will have to take and will not always be popular. But I can rest if in my conscience they are done in the best interest of the country.

I now move on to another department for which I have constitutional responsibility, the Postal Department. Madam Speaker, I do not think that many Members before or coming after, will have had as much chiding and derision levelled at him as I have had regarding postal matters. One Member accused me of this year being "The Year of Post Offices." But had those same critics put in place the necessary infrastructure for our postal system, I would not have had to do it all in the three years thus far.

Madam Speaker, it is no secret to Members of this Honourable House and the listening public that during my three years I have developed plans for new sub-Post Offices in West bay and North Side, yet I am accused of playing politics. One of those sub-Post Offices will be going into West Bay. I do not know who will take the responsibility for that but it is going there. I guess I will be told that I am putting it there for the Honourable Member for Education.

We also developed another sub-Post Office that was badly needed in the Seven Mile Beach facility. This is a full service facility with 1,500 post boxes with a potential to increase to 2,000 boxes. We found out that a lot of the congestion in George Town, after I had a study carried out, was being caused by people from the West Bay strip area coming into George Town just to collect mail. Many of them approached me and asked why we did not try to get a facility closer to that major area because it a densely populated area.

Again, I had a lot of criticism levelled at me but thank goodness today that sub-Post Office is operating very smoothly and very effectively and providing a most needed service to the people not only of the Seven Mile Beach area but a number of other people that were unable to obtain boxes in George Town because we did not have them available.

At this point in time, still dealing with postal matters, I have commissioned the preparation of a National Postal Development Strategy for these Islands. I am happy to say that we have contacted the British Postal Consultants to advise us in these matters. Again, we will be accused of a Government using too many consultants but we are aware, unlike some, of our limitations and we have a country to run. We realise that we need to use consultancies in technical matters. We have no one locally that has the technical expertise who could advise us at this level in postal matters.

It is also planned, funds being available, to do a complete renovation of the George Town Post Office here in the centre of town. This is partly done for two reasons, one being the popularity and demand of that facility by the commercial and financial sector of George Town, the other being that we need to keep within the financial constraints of Government and we were unable, at this point in time, to build a multi-million dollar facility.

So we are doing the best that is available to us which, is providing the necessary renovations to that facility. I notice in the Budget that funds for the Post Office have been shifted into 1993 but I intend, as in the case of Agriculture which I will deal with in a few minutes, to speak to the Honourable Financial Secretary about this item.

Now, I have dealt with the Planning Department, the Postal Department and I now wish to look at the Department of Agriculture. The first thing that I did when I came into the

Portfolio was to prepare and implement a Five Year Agricultural Development Plan. Up to that point no plan or proper, comprehensive plan had been put in place for these Islands. This will not only benefit the people of Grand Cayman but also Cayman Brac and Little Cayman.

We also did the development of the Farmers' Market and expansion to accommodate increasing yields. We have had some setbacks on this but these were not of our doing. We had to hold back due to certain restrictions placed on the building at this point in time by the Civil Aviation Authority. Hopefully, or I should say that I am reliably informed that this problem should be settled by the early part of next year and we can commence with the expansion programme for the Agricultural Farmers' Market.

We also provided 11 acres of land and access road for the new site of the Agricultural Pavilion. In addition to the 11 acres which we have provided for the new Agricultural Pavilion at a peppercorn rent, we provided a financial grant to the Pavilion of \$80,000. As in the case of the Farmers' Market, this project is also experiencing some problems which I will deal with in more detail.

What I am doing now is just giving an overview of what has been accomplished in the three years since we are very regularly told that we are doing nothing. I think that it is incumbent on us to tell the truth about what is being done. I will be going into greater detail on each department in particular as regards this particular year which is under revision.

We are also developing for agriculture a number of agricultural roads, not only in Grand Cayman but also in Cayman Brac. We implemented the Liverfluke Eradication Programme. We implemented the new Tick Control Programme. We implemented the Livestock Improvement Programme and the development of proper agricultural experimentation stations in the Islands. We are at present reviewing the Animals and Fences Law.

Yet, this is a Government that has been accused by the Backbenchers of not accomplishing anything. I am going to put this up against and I am going to challenge either Member who has filled my Portfolio who has spoken before, I will come after to show where they have, in three years of their time in Government, done more than I have done for any of the Departments under my Portfolio.

In the Department of Vehicle and Equipment Services, which is the new name for the Central Funding Scheme, we have carried out a reorganisation of the former Central Funding Scheme.

The development and implementation of the new Traffic Law, that alone was a major, major accomplishment and had been pending from early 1976. Yet, I saw the need, I was asked to fulfill that need and the Traffic Law is expected to be brought to this House during this meeting. There will be two committee stage amendments but I am sure that from time to time because of the complexity of such a piece of legislation, that it will be continually under study. We are also developing final plans for new vehicle inspection and the Licensing Department and the Department of Vehicle and Equipment Services.

We also carried out the installation of a major stand-by plant for the Government Administration Building reducing the interruption period of electricity to almost nil because it is a trip-in generator.

Let me now turn my attention, in the process of giving this brief overview, to the Lands and Survey Department. What has been accomplished there in the three years? The acquisition of the Sanitary Landfill site and the acquisition of one of the major accomplishments of any Government which helps us to protect our heritage and that is Pedro Castle. If we had done nothing else, I feel that we should have gotten some congratulations from the Backbench on that accomplishment. But it is neither their objective nor, I guess, in their nature to congratulate the Elected Government for anything good that they do.

We also acquired property for the new George Town Primary School. I am pleased to have been a party to that decision because George Town badly needs a Primary School and by putting it in that area it will be able to serve not only the people of Central George Town but the people of George Town generally. We also acquired lands for the cemetery expansion, for launching ramps and jetties, for road improvements, and land for the Gun Bay Hurricane Shelter. We acquired the Guard House Historic Site in Bodden Town. This was during this administration, not the one of 1976-1984. We decided to acquire the Guard House Historic Site for the people of Bodden Town in this country during this Government's administration. Why was this not done by the Second Elected Member for Bodden Town from 1976-1984.

We have also, though we have been criticised, successfully negotiated, in the interest of Government, the extension of the head lease for SafeHaven. But as I said, this is just an overview and intend to go into further details, time permitting.

Mosquito Research and Control Unit (MRCU). This year we are in the process of developing a Commemorative Scholarship Fund in memory of the late Dr. Marco Giglioli which hopefully, will be in time for the 25th anniversary of MRCU. We will also rename the MRCU compound on the 25th anniversary in memory of the late Dr. Giglioli. Also we will recognise individuals like Mrs. Janet MacMillan and others, Mr. Johnny McLean and others, who have served very long periods in this department. They will be recognised as long-serving employees.

Now, I believe the department of any Portfolio, except perhaps for Cayman Airways, that has been under the greatest amount of fire would have to be Public Works. It is kicked and shoved by every politician who needs something to talk about. I am the last person to say that much improvement is not needed in that Department but when I deal with that Department in detail, I will point out at that time what is being done to improve that Department.

Every Member who has gone before me who has had the responsibility for Works in this country, has had some complaint about the Public Works Department. Up to this morning I was hearing complaints. Sometimes I am discouraged but when we look at the accomplishments then we can see that much is being done. Sometimes I call the Chief Engineer and ask why more of the roads that need

repairing are not being done when funds are in there. But I, too, understand that they have no control over the rain, they have no control over a lot of things that could prevent road repairs and other needed services.

Some of the major road works that have been done in my three years, is the Jennet "L" intersection which has come under a lot of criticism. I could say here and now that it is my intention to name this road Dr. Roy's Drive.

We have done the Frank Sound Road reconstruction; the Lions Club Road reconstruction; Savannah Acres Road reconstruction; introduction of new traffic signalisation for George Town; North Church Street/Eastern Avenue third lane intersection improvement; the introduction of the Grand Cayman Roads Improvement Plan Study (GRIPS); the proposed construction of the School access road for the High School, the Middle School and Community College.

Under Capital Works for Buildings, the Public Works Department completely supervised the building of the Community College; the Immigration Building and the Primary School in West Bay. Even though these projects were put out to tender the Public Works Department had the responsibility of supervising the work to ensure that Government got good value for money.

Under the Capital Works Programme for Buildings, the Public Works Department was also involved in the up-grading of town halls throughout the Islands and provision of facilities at all hurricane shelters. There was major building expansion carried out at the Radio Station. There were two new Conference Rooms completed in the Government Administration Building and a number of other projects including the reconstruction of Aston Reid Drive and of the South Coast Road in Cayman Brac.

In Little Cayman the construction of the Cross Island Road, construction of the Link Road from Snipe Point to Point of Sand and the de-gazettement of the North Coast Road from 50 feet to 30 feet in keeping with the wishes of the people and the Development Plan.

There were other jobs carried out by Public Works. One has only to look around and we can see construction of ramps and jetties throughout the Island. We have the construction of the South Sound Ramp and Trailer Park. I would invite Members, especially the Third Elected Member for George Town, to go out and see the facility that is being provided not only for the South Sounders but for the people of George Town and the Cayman Islands. The nice ramp that is needed that should have been put in place many years ago.

Also we have the construction of the Frank Sound Ramp and Trailer Park. That is not in the George Town constituency but it is needed. It does not matter to me whether the Member for that area is a Member of the Opposition or is supportive of Government, my greatest concern is that these ramps and jetties are needed within the Cayman Islands and they will be put in the places in which they are needed as long as I am Member for this Portfolio. You will see no politics being played with that sort of thing, or with anything in my Portfolio.

We also did the construction of Hirst Road. It is in the constituency of the Member for Bodden Town but that does not matter. The people of Hirst Road, Bodden Town/Newlands, etcetera, require and need a boat ramp and a responsible such as ours is providing that. We are constructing a ramp at the west end of Cayman Brac. We also have plans for the repairs to the Whitehall Ramp. During the three year period, we built the jetty at Whitehall yet, for years and years, before my time in the Portfolio, this was needed for the boating public in the Whitehall area. The Third Elected Member for George Town had the opportunity during his eight years to do it yet he did not. He has the gall now to criticise this Government of trying to put in place things that he should have done.

Madam Speaker, we also bought property in East End in Gun Bay and we have plans to construct the boat ramp there as soon as the planning situation can be cleared up. The Member for East End is aware of the problems that we are having with that.

Madam Speaker, I have notes here on what we have done during my year as Chairman of the Port Authority and the Water Authority, my responsibilities, but since the Budget is dealing with the departments primarily under the Budget and not Statutory Authorities, I will leave this section for the Throne Speech. But there is much to say for the accomplishments that my Portfolio has also made within the Port Authority and the Water Authority. I believe that without even having to reiterate some of these accomplishments which have already been mentioned in this House, that the listening public and the Members of this House are all aware of these accomplishments in the Port Authority and the Water Authority.

Another project, during the three years was the successful negotiation with Texaco Caribbean to provide a bulk storage fuel terminal on Cayman Brac. Up to the period that I started negotiations, no serious attempt had been made to properly deal with the problem the people of Cayman Brac have been experiencing in the absence of proper terminal facilities.

I was proud to have been the Member who brought this about and who was able to conduct the ground-breaking ceremony recently in Cayman Brac. I am also proud that a son of the soil, Mr. Stanley Hill, and his company were given the contract to construct that facility.

We are also, under Other Projects, in the process of reviewing the Radio Law, the Broadcasting Law and Telephone Law with a view, with the assistance of Cable and Wireless, of putting together a new Telecommunications Law.

Madam Speaker, much of this has been slowed down for one reason or the other but one of the major reasons being that the Legal Department (Drafting Section) has had so much legislation to do that certain things had to be delayed, naturally. Hopefully, we will soon be able to move these the review of these Laws ahead.

We are also in the process of acquiring the scenic coastline in South Sound. We have had to delay the sum because of the problems of acquisition of the property and getting all of the details in place but it is our intention to acquire all of that property from the Bel Air dock area down to the

Sounding so that that area will be exclusively used for the benefit of the public and that no development will be placed on that scenic coastline. That will more than compliment the beautiful ramp facility that we are putting in South Sound. We intend also, funds being available, to put a jetty out there with a "tee" on it so that the public can have proper facilities to use.

In addition, it is our intention in the Portfolio, funds being available to clean out the channel of South Sound so that the boating public can have a safe channel to travel through.

Madam Speaker, one of the most important projects that has been carried out by the Portfolio was the introduction of the state-of-the-art, Island-wide, telecommunications system including the beeper capability radio communications and telephone interconnect system. This will prove most beneficial and useful especially in a time of any disaster, especially a hurricane disaster when the Islands could be separated, even internally, because of a cut in communications.

We are in the process of also constructing a self-contained telecommunications tower, that is one that will stand on its own without any guide wires. This could also radio and television at a future date if necessary.

Madam Speaker, when I was speaking of the ramp at Hirst Road I should have, at that time, stated that we have provided a deep water channel to Hirst Road to provide a further facility for the boating public. At this point in time we hopefully, next week, will get started with the necessary cleaning out of the West End Channel in Cayman Brac. Earlier, in answering a question in this House, I made the point that the idea of cleaning out that channel was one that was conceived within my Portfolio by myself.

There were three major things that I had in mind to do for Cayman Brac when I took over the Portfolio and thus far I have successfully completed two of them and I am in the process of implementing the third. The first one was to provide a reliable potable water system in Cayman Brac. That has been done. It was long needed for that Island. The second thing was to provide reliable and available fuel by putting up a proper fuel terminal. That is in the process of development at this moment. The third major development that I had planned (except for roads and all of the others) was the cleaning out of the West End Channel that will be a means of boosting the economy, like the water and fuel terminal will boost the economy of that Island. We are planning to extend that channel some 200-feet long by 50-feet wide to a depth of about 12 or more feet.

Very often I had been approached by the boating public, especially those during Pirate's Week that would have gone into Cayman Brac, to do something about that channel. So the impetus for all those three major projects came as a result of my own initiative and my Portfolio's. Not from any pressure from any Member of the Backbench.

At this point in time, it is no secret because the revenue provision has already been made in the Budget for \$2.5 million, I am in the process of hopefully finalising, together with the able assistance of the Honourable Attorney General and his staff, the extension of the Cable and Wireless lease. But unlike some of the other similar leases that have been done before, this one has taken a lot of time and the best interests of the country have been considered. So much so, that we have arranged that this country will be getting a significant portion in royalties or fees from the revenues earned by Cable and Wireless in these Islands.

MADAM SPEAKER: Would this be a time where we could suspend?

HON. LINFORD A. PIERSON: Yes, Madam Speaker.

MADAM SPEAKER: The House will be suspended until 2:15 PM.

AT 12:56 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 2:26 P.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed. The Honourable Member for Communications and Works continuing the debate.

HON. LINFORD A. PIERSON: Thank you, Madam Speaker. Madam Speaker, when we took the break for lunch, I had just completed a basic overview of some of the major accomplishments of my Portfolio in particular, and generally, the Government during the past three years.

I have been informed that I have approximately one hour, or 56 minutes to be exact, left to me in which time I will attempt to give detailed accounts of the eight departments and sections under my Portfolio. As I said, this excludes my responsibility for the Port Authority and the Water Authority which do not come directly under the ambit and provisions of this Government Budget. In addition, I have responsibilities for areas such as Cable and Wireless, Caribbean Utilities, Cayman Water Company and a few others.

Madam Speaker, I would now wish to start with the Agricultural Department in providing a detailed account of some of the highlights of the stewardship of my Portfolio over the past three years, with concentration also of 1991, the year under revision.

As the Honourable Financial Secretary rightly stated in his Budget Address, I will indeed take the opportunity to more fully address this very important subject. As will be noted from the Honourable Financial Secretary's Budget Speech, he did give quite a bit of space for the

Agricultural Department and its accomplishments thus far under the Five Year Agricultural Development Plan.

Madam Speaker, the Department of Agriculture has embarked upon the implementation of the Five Year Agricultural Development Plan (ADP), which was endorsed by the Legislative Assembly during 1990. This new agricultural thrust has served to energise the sector and there is positive indication that new growth and development of agriculture are beginning to be seen.

The focus on the Agricultural Development Plan fits well within the mission of the Department of Agriculture, which is to develop and regulate the agricultural sector by providing advisory and technical services in crop and livestock husbandry, and to undertake research development and demonstration in order to improve the state of technology and productivity of local farming.

The Portfolio, in recognising the potential for agricultural expansion in the Cayman Islands within the limited water and arable land resources, has directed the Department of Agriculture to provide the necessary emphasis on implementation of the ADP whilst conducting its general functions. It is against this background that a review of the achievements of the Department in 1991, will be now presented.

The first sub-Head, Institutional Strengthening. With the accent on the ADP it was necessary to strengthen the Department of Agriculture with technical and administrative expertise. In this regard an Agricultural Plan Implementation Unit was established to carry out the day to day activities required for the Plan implementation. However, in recognition of the fact that the Plan's implementation must be guided and monitored by the best possible mechanism, the Portfolio appointed a broad-based Plan Co-ordinating Committee made up of representatives of the farming and commercial sectors as well as senior Government Officials. I wish to now look at some of their activities and achievements.

In 1991, high priority has been given to the completion of a number of in-depth and up-to-date analyses of critical problems of production and marketing affecting the agricultural sector in Grand Cayman and Cayman Brac so as to identify specific projects that urgently needed planning and implementation to the benefit of the farmer. Much of this effort will begin to bear fruit in 1992 when Phase II of the ADP is implemented.

I will touch briefly on the planned expansion of the Farmers' Market. In keeping with the pre-eminent position at which agricultural marketing has been placed under the ADP, one of the first tasks completed by the Plan Implementation Unit was an in-depth review of the Farmers' Market in order to identify the major constraints besetting the marketing system and to propose remedial action to improve the situation so that the Farmers' Market can better serve the interests of farmers.

Consequently, among the numerous recommendations proposed by this Report it was recommended that the Market be expanded and upgraded to operate as a central wholesaling facility for local agricultural produce combined with a secondary retailing function.

Madam Speaker, the total amount that has been estimated for the expansion of the Farmers' Market is \$290,000 but due to the financial constraints of the Budget, we were only able to provide \$145,000 during 1992 with the other \$145,000 placed in the 1993 projections. Further, unfortunately due to a request from the Civil Aviation Authority, as mentioned earlier, that construction activity for the Farmers' Market was delayed. Expansion of the Market will not commence before the early part of next year.

Nevertheless, work has progressed on the architectural and engineering design of the Market and it is intended that all approvals from the Planning Department as well as awarding of construction contracts would have been completed in the interim.

During this period improvements are being made to the operation of the Market in the form of staff and policy changes whereby the financial accountability of the Market has been strengthened. There are indications that there is increased patronage at the Market which augurs well for the future.

I will now briefly touch on the Hydroponic Development and Demonstration Farm. The Portfolio recognises that any agricultural trust must have at the centre of its plans and programmes the welfare of the farmer without whom there can be no agricultural production. Consequent of the severe difficulties faced by Mr. Otto Watler's hydroponic tomato enterprise in the areas of appropriate technical applications, management and marketing, the Portfolio of Communications, Works and Agriculture took the view that an up-dated review of the operation was needed. This was based on the Portfolio's desire to continue to provide meaningful assistance to one of the important pioneers in farming in the Cayman Islands whilst pursuing the objective of promoting a form of agriculture which appears to be appropriate to a situation of limited arable land and fresh water, as is the case in the Cayman Islands.

Coming out of this review by the Plan Implementation Unit, the Portfolio has decided to work very closely with Mr. Watler over a two year period commencing on 15th July, this year, in the technical upgrading of his operation as well as in the areas of management and marketing. The operation will also be used as a training and demonstration centre so that interested local residents can be exposed to this specialised technique of vegetable production.

A sum of approximately \$20,000 is being invested by Government in this operation and the first crop of tomatoes is to be harvested early this month. Additional funds, I think it is around \$40,000, have been provided for additional adaptive research and development work on other vegetable crops that can be grown hydroponically in the Cayman Islands.

I wish to pay recognition to the Member for East End who is also the President of the Agricultural Society for the close working association which I have developed with that Member in the expansion of agriculture. I want to thank him for his assistance in recently assisting to give even more support to farmers.

Particularly, I will refer to an amount of \$100,000, which I am

requesting the Financial Secretary to bring in Finance Committee, to be added to the revised figure for 1991. The allocated or approved amount in 1991 was over \$900,000 but this amount was revised down to a little over \$400,000. So there is room in that to add the \$100,000 to the revised figure thus getting a total revised figure of over \$500,000 but well within the approved amount of \$917,000.

what is good about this \$100,000 is that it will be made available to farmers on very soft loans, five per cent will be charged. These funds will be operated through the AIDB, Agricultural and Industrial Development Board, but earmarked specifically to assist farmers, especially the small farmers. I must say that the President of the Agricultural Society, the Member for East End, was very supportive in assisting me in getting this passed before the Committee. I thank him for that.

I now turn, under Agricultural Development, to Infrastructure Development. A sum, in 1991, of \$100,900 was allocated for infrastructural development such as the construction of access roads and footpaths to farms and installing or improving irrigation systems. To date the sum of \$22,715 has been spent on the construction of a road to the Lower Valley site identified for the Agricultural Pavilion. Surveying and planning work are in progress to enable the construction of farm roads in the Little Bluff and Roger's Wreck areas of East End in Grand Cayman estimated to cost \$93,000.

Again, I give credit where it is due. The Honourable Member for East End assisted me tremendously in meeting with the owners of properties and having the necessary paper work done.

During this year the Department of Agriculture together with the Plan Implementation Unit of the ADP, conducted a baseline study in order to establish an agricultural data-base with computerised records on current levels of agricultural production as well as information on farming methods in Grand Cayman.

I had quite a lot more on agricultural but in view of wanting to say a little on each one of my departments and seeing that my time is running out I am going to be skipping some of the information I have here. On the Livestock Development Programme again, in the interest of the farmers the Department has developed a scheme whereby they will allow farmers, especially the small farmers, to be able to purchase livestock at a very good rate and under very affordable arrangements.

The scheme will basically allow farmers to purchase the livestock required by them by making a 25 per cent down payment and they will have a two year moratorium on an interest free loan. I believe that this will go a long way in further encouraging agriculture in these Islands.

Regarding the Banana Scheme we have a new system in place that is called the Tissue Culture of Plants which is virtually disease free and we will also be allowing farmers to pay down a third and we will give them a one year moratorium with the understanding that they should be able to harvest within nine months, giving them ample time to be able to repay.

Madam Speaker, on top of this, again with the assistance of the Member for East End, we have recently, in a Plan Implementation meeting or a meeting in my Portfolio, agreed that in view of the hardships being experienced by many of the small farmers having to pay sometimes prohibitive rates as far as their means are concerned for the use of the bull-dozer, we have decided to make this virtually free to them, with the exception of having to pay for the diesel fuel that is burnt by the bull-dozer.

Madam Speaker, I know that more could be done but I believe that this Honourable House and the listening public, in particular the farmers, will be very pleased to know of the concessions that will be afforded them.

As regards the Agricultural Pavilion, as this Honourable House and the listening public knows, the Agricultural Show has always been a main event in these Islands. Unfortunately, now for a few years since Hurricane Gilbert we have been unable to have that show. As I mentioned earlier, Government has provided the Agricultural Society with 11 acres of land on which to build the Pavilion and also \$80,000. Unfortunately, we are still being held up through Planning and otherwise and I am sure that when the Member for East End speaks he will no doubt speak on this.

Madam Speaker, we are also looking into crop research development and demonstration with the realisation that no agricultural programme can be successful without sufficient emphasis on investigation of the best crops that can be produced under local conditions.

We are also training two Caymanians. In 1991 two Caymanian Officers will have benefited from overseas training in order to upgrade their skills in relevant areas of agriculture and veterinary science. Mr. Telford Miller, Agricultural Officer attended a three month course on Project Management and Extension at Brighton Polytechnic and Plumpton Agricultural College in the UK. Also Mrs. Judith Oyog will shortly be leaving for Louisiana where she will undergo two weeks of further training in Laboratory Diagnosis of Parasitic Diseases in Animals at the Department of Veterinary Parasitology at the Louisiana State University.

Madam Speaker, as mentioned, I could go on about agricultural development but time does not permit as I wish to touch on others of my departments. I would now move on to the Department of Public Works. The Department continues to be extremely active as the Government's main technical advisors on physical development projects and they are the custodians of public roads and facilities.

In addition it provides project management services for some statutory bodies such as the Civil Aviation Authority, Port Authority, Water Authority, Community College, etcetera. The Department continues its emphasis on training development of the Caymanian cadre of professionals. In early 1991 the Department saw another of its bright, young officers, Mr. Daryl Ebanks, commence studies towards a Bachelor's Degree in Architecture. Unfortunately, this fine gentleman took sick, had to have an operation and is recuperating at home. We hope that very shortly he will be able to return to his studies and we want to wish him all the very best.

In keeping with the Portfolio's initiative to make 1991 a year of

efficiency and in spite of the growing demands for its services, the Department is projecting that its 1991 expenditure will be less than one per cent greater than in 1990. As regards administrative changes, in 1991 responsibility was assigned to Grand Cayman Road Section to overview the entire Capital Road Programme in Cayman Brac and Little Cayman, in addition, to project design and engineering assistance that we, from time to time, offer to those to Islands.

The Road Section also accepted responsibility for fuelling its own vehicles and equipment in addition to other works being carried out in that Department.

Briefly to give a little more detail on work done on roads. Major emphasis in 1991 was on the maintenance of existing roads. As mentioned earlier, we have met with quite a bit of setback due to the unusually heavy rainfall that we have had this year. But I would say to the listening public that we do in fact, have that interest at heart and that Public Works will be moving into those areas to do the repairs required, within our financial constraints, as soon as possible.

The 1991 Capital Roads Budget spent \$1.6 million on road projects in addition to \$612,000 spent on just maintaining roads. As regards our plans for expansion of our roads network, the Grand Cayman Road Improvement Plan Study (GRIPS) initiative continued toward a plan for an effective programme for future road improvements.

The Steering Committee met several times and is expected to soon release its initial report. Grand Cayman in particular is in need of a comprehensive transportation plan that will guide road development towards meeting traffic demand in the approaching decades.

Madam Speaker, the Public Works Department has a vast amount of duties to carry out and in addition to roads they have work to do on public buildings such as school buildings, West Bay Infant School, North Side sub-Post Office, West Bay sub-Post Office, Conference Rooms at the Government Administration Building, etcetera.

Madam Speaker, other areas in which they were involved were the Community College, Broadcasting House as I said earlier, district launching facilities, Prison Building, the female and male blocks, in addition to the mechanical side of the Department.

I am moving fairly quickly through these areas. As I mentioned earlier, I would wish to be able to touch on each one of the Departments, if only briefly, in the remaining minutes I have available. I now move on to the Department of Mosquito Research and Control Unit (MRCU). MRCU is continuing to carry out large scale larviciding with the insect hormone altocid with the aim of being able to reduce the conventional insecticides. At the end of April, before the rainy season started, all of the main breeding sites in the swamps between Barkers and Northward were treated with altocid. This was done for the first time with the successful use of the Flagman Aircraft Navigation System and no ground control of the spray plane was necessary.

On problem that we have experienced since the end of 1990 is a small area of infestation of yellow fever or dengue mosquito, in two areas, Crewe Road south of the airport and Birch Tree Hill in West Bay. This is no news because we have in fact published this already in the papers.

The point is these infestations have been persistent in spite of spraying and fogging operations. However, the monitoring system has been upgraded and further spraying is currently underway with both aerial spraying and residual spraying of the affected houses.

Madam Speaker, MRCU now has a highly qualified Caymanian in a senior position in the person of Dr. Astley McLaughlin. He used to be one of my senior Assistant Secretaries in the Portfolio. He has a Doctorate in the Sciences especially in areas such of Mosquito Control, etcetera. I am sure that he will be a major asset to the Mosquito Research and Control Unit. He is now in the position of Deputy Supernumerary and hopefully, before too long, he will be fully appointed in that position.

Madam Speaker, as regards Planning, as in previous years the Planning Department has had its fair share of activity. Despite a somewhat slow first quarter which saw a total of 134 applications for planning being approved at a value of \$18.9 million, development applications have regained considerable momentum. By the second quarter, approved application total 165 for the quarter at a value of \$22.3 million. The third quarter inched ahead in terms of approval at 167 and showed a substantial gain in terms of value totalling some \$29 million.

Total approved applications for the first three quarters of the year stands at a healthy 466 for a total value of \$70.3 million. Comparable figures for the same period in 1990 and 1989 were 559 valued at \$135.2 million and 475 valued at \$105.7 million, respectively. Among the major projects approved in 1989 and 1990 and completed or nearing completion are Windsor Village, Sleep Inn, Phase I of the Corporate Centre of SafeHaven, the Community College and the Central Facilities Building at Morritt's Tortuga.

Madam Speaker, as mentioned at that start of my detailed debate on these departments, I intend to show, before sitting, the full stewardship of my Portfolio during my three years and thus the reason for going into some details, mainly as we have been accused of not doing anything on the Government Bench.

Much of the Department's time continues to be spent on the review and monitoring of applications for planning permission, plumbing and electrical approval and responding to queries and questions from the general public. At present the Department, even though having eight vacancies, a 77 per cent staff complement, has been able to spearhead a number of important projects. These include, as I mentioned earlier, the proposed Building Code, a Report on the Street Naming and Numbering System, an Interim Development and Planning Report for Little Cayman under the auspices of the Central Planning Authority and the more recently appointed District Development Plan Review Committee for Little Cayman.

As I have already spoken on the need and the amount of work put into the development of the Building Code, I will now pass to the Development Plan, 1977. A review of that Plan has been embarked upon. District Committees have been set up reflect a multiplicity of views. The reason for this is

that we wanted to get the views of individuals from the various districts so that they could make their views available to the Central Committee and so that nobody could accuse the Government of developing a national development plan or a physical development plan for these Islands without the input of the various individuals from the various districts.

This was done in respect of Little Cayman with their interim plan and the same will be done in respect of all the districts within Grand Cayman and also in Cayman Brac. We want to thank those individuals who have agreed to serve on these committees as this is one of the most important activities and projects to be undertaken by any Government.

I am pleased to say that Caymanians are now occupying the key positions within the Planning Department. We have recently had a Mr. Carson Ebanks appointed as the Acting Director of Planning and I trust that that will soon be fully approved. He had completed the course of work for his Master's Degree in Community and Regional Planning at the University of British Columbia. He is a very bright and astute gentleman and I do not believe that we could have our Planning Department in better hands.

Also Mr. Kenneth Ebanks has resumed his position in the Department. Also Mr. McLeary Frederick is in his final year of a Construction Management Bachelor's Programme at Andrew's University in Michigan. His training will allow him to be appointed to the post of Chief Building Control Officer after understudying the Chief Building Control Officer for a one year period on his return.

Madam Speaker, in 1992 the Planning Department will be increasing its role as a facilitator in the planning of the Island's spacial layout. This is becoming increasingly important and is vital if we are to retain those cherished aspects of our natural and built environment; our cultural identity that contributes to our attractiveness as an upscale tourist destination. In the coming year a new impetus will be placed on the physical planning of our Islands.

Madam Speaker, I wish to now briefly touch on the Postal Department. On 24th June, 1991 the Seven Mile Beach sub-Post Office was officially opened by His Excellency the Governor. The Office opened its doors for business the following morning. With the introduction of a public facsimile and photocopying service at this Office, a new source of revenue has been introduced. The Office has been welcomed by the Seven Mile Beach community.

There has been a delay in the commencement of construction of the sub-Post Office Building in West Bay and North Side. However, construction of the North Side Post Office is due to commence before the end of this year. As soon as additional land is acquired we will make a start on the sub-Post Office in West Bay.

Due to the present economic conditions, the badly needed building of the General Post Office will be delayed for some time, as mentioned earlier. However, renovations to the present building will have to be carried out for the safety of all concerned and to provide for more counter and customer space.

Madam Speaker, this information is being given to give details of the revised position and how money has been spent and how it is intended to be spent. A survey of the postal needs of the remaining districts is being carried out and the findings will be considered and acted upon in due course.

As stated earlier, a major survey is being carried out by the British Postal Consultant Services and hopefully this will assist Government in any additional plans for the postal service in the future. As mentioned earlier, with the world-wide decline in stamp collecting, large returns of revenue from this avenue can no longer be guaranteed. However, postage stamps continue to make their contribution to Government's revenue. The Postal Department is currently exploring additional avenues of advertising Cayman Islands stamps particularly to the North American market.

With a beautiful, new, definitive issue of stamps depicting local scenes due to be released in December of this year, an increase in sales to stamp collectors is expected in 1992. Madam Speaker, the fact that stamp sales are declining is no excuse because one has only to study the market and what is happening as a result of new technologies such as facsimile machines, etcetera, to see that much of the communication that used to be done through the post, is now being done through those modern communications services and methods.

On the Lands and Survey Department, 1991 was again a year when much emphasis was placed on departmental training for members of the Department and also articulated law students. Three members of the staff began overseas training for tertiary education, two going to the UK and one to the United States on three-year and two-year full time courses, respectively.

Madam Speaker, one trainee surveyor returned to his position in Cayman Brac in July, 1991 after having successfully completed a two-year full time course in the UK. These are some of the things that are happening within the Department.

There is a lot that is going on and I believe that it is only proper and right that Members of this House and the listening public should be informed of what is going on so that when the Members of this House get up to speak they will know what they are speaking about. There will be no reason to guess what is happening because all they need to do is go to the Clerk and ask for a transcript of the Hansards of what I have said and they can follow that.

Madam Speaker, the number of transaction processes within the Land Registry up to the end of September, was of a similar magnitude as the previous year. However, revenue for the same period was approximately 10 per cent greater.

The intention for 1992 is to further develop internal training, complete the establishment of the electronic data-bases for the Land Information System, consolidate the estate management practices and procedures and revise the large-scale mapping of all three Islands in order to provide

up-dated information for both the planning and implementation of national development. That is but some of the work that is being carried out by the Lands and Survey Department.

Madam Speaker, as mentioned earlier, the Central Funding Scheme, the name will be changed to the Department of Vehicle and Equipment Services. The Board of the Central Funding Scheme was established in 1976 as the result of the Hall Report. From day one this was not properly managed.

The Board had four key functions; to ensure an equitable disbursement of development grants between Government departments; to implement vehicle management policies; to make financial provision for the replacement of equipment; to ensure that the equipment lasted its economic lifetime by making provision for maintenance and repairs. I am not going to have time to go into each of the functions and to give reasons why some of these did not work from 1976, but I would say, to be more current, in March, 1990, a Central Funding Scheme Action Committee was formed and chaired under the chairmanship of my hard working Principal Secretary. From this we have been able to extract and have prepared proper guidelines for the further development and management of the Central Funding Scheme which as I said, has now been wound up and will be replaced by the Department of Vehicle and Equipment Services.

Madam Speaker, the Government telecommunications system is working well. It is something that is new and because of this it has had its teething problems but it is beginning to come together. For the fiscal year 1991, \$290,000 was approved for the new Government Communications Tower and for additional Motorola radios to operate on the new Government SmartNet System. The Tower project is currently well underway.

In addition, the paging system has been expanded to allow the digital display type of beeper to be utilised.

MADAM SPEAKER:

You have about four minutes left, Honourable Member.

HON. LINFORD A. PIERSON:

Thank you, Madam Speaker.

For the fiscal year 1992, it is envisioned that further enhancement of the Government SmartNet will be implemented. This includes the addition of two repeater stations for the Grand Cayman system, a VHF link to Cayman Brac and a radio paging network for Cayman Brac.

Madam Speaker, in closing I would like to reiterate the position that was made by me earlier and my efforts to try and demonstrate not only to this Honourable House but to the listening public that this has been a hard working Government. There is no justification, as I have demonstrated by taking time to give an account of the stewardship of my departments and of Government, for any Member of this Honourable House to even have the slightest foundation to suggest that we have been imprudent.

Madam Speaker, our record can stand up against any previous Government before us. I have demonstrated that I am doing twice the amount of the Members who previously filled my Portfolio. I have been able to accomplish much more than they did in the three years that I have been there.

I will compare the amount of work that has been, for instance, done by people such as the Honourable Member for Tourism. There is no other Member in this House that has his experience in airline and tourism matters. The problem that he has experienced, that this country has experienced, was beyond his control. It was a recession that caught this country and nobody, regardless of how astute that person may have been, would have been able to do better under the circumstances. I am proud to be associated with a man of his calibre. He has done a wonderful job.

We have also heard criticism levelled at the Member for Education. I am sure he will have his say even though he is suffering from a cold. I am sure that the country is not blind to see that he has just completed a major Community College for the good of this country and that he has provided in the Budget funds for the George Town Primary School. But I do not need to speak on their behalf, they will do that themselves. I am just wanting to make the point that this country has a responsible and hard working Government and none of our critics who have spoken before or who will speak after me, can deny that. There are those that had much longer periods in the fat times, not the lean times like we are experiencing now, who did not do quite as well as we have done within the short time that we have had plus the tough times that we are going through.

Madam Speaker, I also want to congratulate the Official Members of Executive Council without whose help we would not have been able to do as much as we have done in the past three years since 1988, especially with the limited resources available to us.

MADAM SPEAKER:

Honourable Member your time is up.

HON. LINFORD A. PIERSON:

Madam Speaker, I thank you.

I want to thank this Honourable House and thank the listening public for allowing me to be able to give an overview of the amount of work completed by this Government and through my Portfolio.

I thank you, Madam Speaker.

MADAM SPEAKER:

The debate will continue on the Budget Address. (pause) I do not think the Chair is prepared to sit down and wait indefinitely for a Member to take the stand. I shall have to ask the First Official Member if he would like to wind up the debate. Please do not try the patience of the Chair.

The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN:

Thank you, Madam Speaker.

The Honourable Financial Secretary, as First Official Member, has put forward a budget in a very competent, very professional and very clear form. He is highly qualified as an economist to do this and therefore, I think the country has to look very carefully at what is said in it sometimes in a typical professional, subtle way. However, it bears truth in many areas and it is on that basis that I would like to have a look at the different aspects of it. However, there are about eight serious Headings which I believe have to be looked at. There is a Heading related to the taxes, \$20 million in 16 months imposed on the people of this country. There is a Heading on debt which has spiralled upwards from \$13 million in 1984 to \$43 million this year.

There is the item of inflation that must obviously come from the taxes and the rapid and increasing way in which the recurrent revenue of this country has been pushed upwards by the appetite of the Elected Members of Executive Council for spending. There is the aspect that I would call the incomplete part of the Budget which does not take into account the \$16 million for the new hospital that the Member for Health and Social Services says will begin next April, nor does it touch at all the horrendous debt that Cayman Airways Limited will have to be looked at in the near future.

It has one further Heading and that is the category which points very clearly to the fact that any new Government that takes over from this Government is going to have four of the most difficult years that any new Government has ever faced because the country is left and is now, in fact, in an economic mess and getting out of it stably and doing the consolidating that is necessary over the next four years, is not something that is going to be popular.

Firstly, I would like to go deal with the position relating to the taxes that have been imposed. I will not go in to a lot of detail on this because there will be debate at a later stage but I think it must be touched on in some depth because other Members have dealt with it and it is a part of the Budget even though there are separate laws on some of this.

The most crushing tax that has been put on the people of this country is the doubling of the price of diesel. Diesel is the one commodity that affects everyone in this country. It affects hardest the little man because unlike, for example, gasoline that affects people who have motor cars, diesel affects the many other basic necessities of life for those who cannot even afford motor cars. It affects electricity, it affects water, sewerage, construction, transportation, buses, trucks, shipping, tourist charter boats and it must be remembered that it was the Government of 1984 to 1988, that imposed import duty on Caribbean Utilities and thus passed on the import duty to the little man.

This specific increase is going to hurt people who have bare minimums to live on and perhaps some who must ultimately choose between electricity and the kerosene lamps again. The increase, I understand from the newspaper was 18 to 20 per cent and that is a very sizeable increase in the electricity of the country.

The increase on liquor and cigarettes, while it perhaps is one of the easier areas to put taxes and import duties on, it has an indirect impact that has to be looked at carefully by Members of the Legislative Assembly. Yes, it is perhaps justifiable, more justifiable than others. But as has been said from time to time in this House, in different sessions, a person who drinks normally, is going to go out and buy his bottle of liquor or cigarettes, whatever, and the ultimate hurt is on the children and the wife who get less of the income. That is a reality. Not a nice one but it is.

It also impacts on tourism because we are rapidly getting to where I would think that the cost of liquor and cigarettes in this country to the tourist is probably higher than in most other destinations. So they are beginning to strike at the young and defenseless, indirectly, and they are beginning to strike at one of the bases of the economy, which is tourism. The increases in the recording fees are directly on local people. Register of birth, deaths, marriages and most recordings are for matters such as debentures or borrowings by companies.

The Planning Fees, will largely fall on local people. Some large developments naturally are foreign but when one reaches a stage where it costs \$50 for approval to put up a sign, which may not even cost \$50, or we have the cost of approval of a fence being \$100, then we are really pushing indirect taxation in this country to its extremes.

A new Head that the Member for Communication and Works touted as being the brain child of this Government was revenue of \$2.5 million from Cable and Wireless. Well I notice that the Budget left that out because that is once again, like diesel, it is a tax on the people of this country. ~~The \$2.5 million~~ ^{\$2.5 million} that they are extracting from Cable and Wireless is passed on to the consumer of the use of telephones in the country because they are not absorbing that amount. It is the same when import duty was put on Caribbean Utilities. They merely passed it on to the local man.

Lastly, the area that seems to be a constant area for tax, other than banks on the off-shore side are companies. What is significant is that there has now been very sizeable increases in the area of the fees. We have seen where there were sizeable increases, in fact doubling of fees in relation to Trusts, increases in the Patents and basically the only area where there has been no sizeable increase is with the banks and insurance companies. It was not feasible at this time for an increase in those areas as only very recently they were increased up to a stage where they could not go any further. The market just could not take it.

What is significant on that is that while they have doubled the annual fees on companies for local residents - doubled it, they have only increased the off-shore companies somewhere between 20 per cent to 30 per cent in most cases. I think foreign companies which number very few, they have just about doubled the fees there. The impact coming out of the company fee increase by far has been the doubling of fees on the local people. And that is perhaps the way that the Government thinks. They extract as much as they can out of the local people and believe that they have to continue to take it for ever and ever.

What is significant is that we had already been experiencing a

considerable downturn in the number of new companies which are being formed, and this was borne out in the statistics released recently which clearly showed that there had been a considerable fall in new companies in certain categories.

Whereas, in countries such as the British Virgin Islands, Turks and Caicos and the Bahamas, we have only annual fees of \$300 on their exempt, or as is called there International Business Companies (IBC). We are looking at twice that amount and more on many of our companies here. It is a fact that we can only tap these sources of revenue up to a certain point, after which we get into an area of diminishing returns.

I really believe that is the stage we are reaching with the taxes in this area because, whereas, we are still labouring to reach the 20,000 companies mark, places like the British Virgin Islands, which came long after us, have well in excess of 30,000 companies. What we may be getting in the area of increased fees and naturally better quality companies, I will admit that, we are losing through companies that are going elsewhere. It is a competitive market out there because we have seen the Bahamas reduce down their fees to \$100 per annum and it is getting more and more difficult for those of us who are in the off-shore industry to constantly be able to keep the momentum in growth in the area of companies and trusts.

What I am saying is that this should be ringing a very clear bell to the Government that the market, the industry can only take so much and no more. Many of the trust companies are forming subsidiaries in the British Virgin Islands or the Bahamas where the cheaper companies are available.

That crushing amount of taxes, \$20 million in 16 months, is in my view unconscionable and unnecessary because the Government, if it had of been doing what it should have been doing, should have either reduced down its expenditure on very elaborate pet projects of the Elected Members of Executive Council or it should have found new heads of revenue that do not hurt the country, do not hurt the people.

The last substantial new head of revenue was probably the Insurance Law that we brought in 10 or 12 years ago and it is sad that the few attempts that have been made since that time, for example, shipping, in the early stages has been a financial liability rather than an asset.

This heavy amount of taxes has arisen because the Government has been incompetent. They have spent all of their time on spending and blaming other people for the problems of the country rather than putting in the time on trying to make some money because there is a very clear principle in finance, that any fool can spend money but it takes a wise man to make it. Here we have, as the Honourable Financial Secretary has in his professional and able way put it, the gap between expenditure and revenue widening so rapidly and so greatly that the country is heading, in due course, for further serious financial problems.

MADAM SPEAKER: Are you at a place where you could take a suspension?

MR. TRUMAN M. BODDEN: Yes, Madam.

HOUSE SUSPENDED AT 3:48 P.M.

HOUSE RESUMED AT 4:08 P.M.

MADAM SPEAKER: Proceedings are resumed. The Third Elected Member for George Town continuing the debate.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker.

The last point and one that I was not able to give a little earlier on the question of taxes because I did not have the document, but the statistics produced by the Cayman Islands Government Statistics Department shows that with new company registrations there has been a decline or an annual change, a drop this year from last year with Ordinary Resident of 9 per cent; Ordinary Non-resident 24 per cent; Exempt 33 per cent; and Foreign 18 per cent. Those are very substantial and very alarming amounts in the drop of new companies that we are not getting. This strengthens the fact that one has to be careful and really at this stage I would have strongly recommended not putting any of the taxes on. Especially not on the companies and the trust side.

The Member for Communications and Works had stated that in Bodden Town between 1976 and 1984 nothing was done. I would like now to give very briefly, so that the public can see the way he played politics with the Members for Bodden Town probably feeling that they did not have a right to speak subsequently, that it would just be left. I was a part of that Government and these are some of the things that were done for the people of Bodden Town by the present Second Elected Member for Bodden Town, who was then an Executive Council Member.

There were considerable increases in street lights. Land was purchased and the Police Station built, the Civic Centre and land for a playfield. There was the purchase of land and construction of the Prison, construction of the water lens in Lower Valley, paving of the roads including the paving of the Beach Bay Road. In Savannah a new school building was built and land purchased there for it. At Savannah a playfield was built for the first time and we also built a playfield at Bodden Town.

The Second Elected Member for Bodden Town was also involved in the paving of Manse Road and improvement of Guard House Hill. There were renovations of the Bodden Town Town Hall including paving the road, as well as the paving of Northward Road up to the Prison. Significantly, there was hot-mixing (asphalt/concrete mix) from Spotts to Breakers which is probably one of the longest stretches of the main road in that district. That was concrete asphalted during the time of the Second Elected

Member for Bodden Town.

We constructed the Community Hall in Breakers. We renovated the Clinic, the Post Office in Bodden Town, and the Post Office in Savannah. These are a few of the things done during our time as well as several of those that the Member for Communications and Works took credit for. For example, the ramp project and the Newlands barcadere was started during our time.

He mentioned and I think subsequently corrected the fact that the Member referred to the boat ramp in Bodden Town as one that was promised, or something to that effect, from the early 1970s, 1972, 1973. I refer that Member to the Minutes of the Standing Finance Committee of 4th November, 1991 at page 13 in which the Second Elected Member for Bodden Town said:

"Madam Chairman, I would like to say that this boat ramp was first promised to Bodden Town seven years ago by Mr. Benson Ebanks and Mr. Norman Bodden when they visited with me in November or December 1984, and it has really taken a long time to materialise. I can only say that I am amazed at how long it has taken."

So that should put beyond a doubt what the Member did clarify that the Second Elected Member for Bodden Town was talking about 1984 not a time in the 1970s.

The Honourable Financial Secretary in his Speech dealt with inflation in the Cayman Islands and this was found at the paragraph numbered 2.3. In it he said:

"The seasonally-unadjusted inflation rate was running at an annual average of 9.0% at the end of the third Quarter this year (which is the highest rate of inflation recorded since 1984). This compares unfavorably with the 6.9% annual average for the same period in 1990, the 7.7% for 1990 as a whole, and most unfavorable, with the 1980-1990 long-run average rate of 6.2%."

Madam Speaker, inflation, as we know, is caused by, among other things, Government imposing taxes on the people of the country. When they take money from the people and spend it on their projects you get the inflation rate going up. When you get the country in a recession, you get the inflationary pressures building up. This is a very clear example that the Elected Government had to know that the course that they were taking with putting a further \$10 million taxes on the people is one which would push inflation up and thus make the value of the dollar, the dollar's spending and purchasing ability get less and less. In other words inflation hurts the people of a country when it increases. It helps naturally, when it is very low.

The inflation rate of 9 per cent is high by any standards and as the Member responsible for Finance said, it is the highest recorded rate in nearly the last decade. At page 85 of the Statistical Abstract we find that in the early days and during economic recessions, we had inflation rates which had reached nearly stages of hyperinflation, as it is called, back in the 1970s. In 1974 some 27.9 per cent. There were years in 1979 and 1980, 1981 when the rate was also high but we are now in a situation where the inflation rate is once again spiralling upwards and it is a cause for serious concern.

The Member for Communications and Works quoted a theory, I think it is a Kenyan theory, that in a economic boom the country must save, build up its reserves and in a economic recession, it should spend to give impetus and to make the economy vibrant and has apparently imputed that that is what the country has been doing. I has been spending a lot of money. Well we know that is correct. But what he did not say in that theory is that the theory does not envisage imposing taxes during a recession in order to spend. The spending must come from large reserves that have been built up during the economic boom periods and not from the crushing taxes that have been imposed on the country during a recession.

In fact, the theory extends to say that when you have high inflation, when you have an economic recession on, then the one thing that you never do is to put taxes on the people because it worsens inflation and it deepens the recession. So they are taking a deliberate course, which they know better, which is going to deepen the economic recession and which is going to drive inflation up and which is going to hurt people financially. The person it hurts most is normally the little man, as the Member for Communications and Works likes to refer to him. I sometimes wonder whether he has ever remembered the little man since the elections were over in 1988 and he extracted their votes because ever since that time he has only been extracting taxes from them.

The other aspect that the Financial Secretary mentions is the condition in the labour market. What we find is that as you have increases in taxes, you have increases in inflation, you have increases following it in salaries and wages and it gets to where it becomes a vicious cycle. As you increase one you automatically hurt the people economically and financially which forces salaries and wages up, which forces inflation up. So what I am saying in relation to this paragraph is that Government has done everything wrong in relation to the accepted theories and practical side of what should be done in a recession.

The Third Elected Member for West Bay who was so heavily criticised by the Member for Communications and Works is quite right in that. The Member for Communications and Works must know that you cannot take and increase taxes in a recession. You cannot keep on pushing up inflation because the country will take twice as long to recover from the spiralling effects of the recession. Government's aim should be to pull the country out of the recession as quickly as it can. Not to lengthen the period of recession. What happens in the end?

The Members who have spoken admit there are drops in revenue because they do not understand that when you go into a recession even if you put up some areas of taxes, it does not mean that you are going to get the same percentage of income back because if people cannot pay it, they will just have to do without. Unfortunately, it is some of the basic necessities of life that the taxes were put on.

We had, in paragraph 2.4. of the Budget Speech, stated that: "Government consumption expenditure jumped from 6.6% in 1989 to 23.5% in 1990.". That is the main reason why this country is now in a financial crisis. Government's consumption expenditure has jumped from 6.6 per cent to 23.5 per cent. It is an alarming jump. He said: "However, local investment in terms of domestic fixed capital formation fell by 6% in 1990.". Government has the wrong things going in the wrong direction. Now that we are getting into a recession if Government had built up reserves during the stages of boom, that expenditure would not have hurt. But when the expenditure comes from taxes, some \$20 million of taxes in 16 months, then they are the cause of the economic recession.

There is one thing that is absolutely certain, they will go down in history as being one of the biggest spenders of Government money that this country has ever seen. They can safely say they have spent more money in their time and made less than any Government in the past. So what we are finding in relation to the domestic demand is that the movements of Government are hurting rather than helping the country.

The sections relating to trade are obviously provisional estimates as was said here and I will not deal on that very much because Cayman deals largely with invisible exports. They deal with services and that sort of thing. Since we do not have exchange control in the country and there is freedom of movement of different currencies within it, especially the US dollar, then these statistics, while important, are not as critical as they would be if the country needed US dollars to balance its foreign trade debts.

In relation to the labour market what we have found is that there was a very heavy demand in 1990, as stated in the Budget, for labour in the last quarter of the year. This seasonal approach is one which is difficult to predict and sometimes to follow. However, I believe that in the labour market it is very important that while we follow a trend of Caymanianisation and having Caymanians put in posts where they are competent and experienced to do the job, we must find that for many years to come, hopefully on a diminishing basis, we will still need to issue work permits to people coming from overseas.

The balance is never an easy one but it must be rationalised to ensure that the necessary and reasonable amount of work permits for people from abroad to work in necessary jobs within the Island are issued until the impetus of Caymanianisation can begin to bite and we see reductions in areas of jobs that Caymanians can fill. This is borne out and a frightening statistic up to a point when we realise that the Budget stated that on the supply side of the labour market, a total of 2,376 permits were granted over the 12-month period, meaning the 12-month period of last year. This shows that, as I will deal with at a later stage, we must face the reality that a lot more has to be done in this area to ensure that we are beginning to train and give the experience to Caymanians to fill posts where they are qualified to fill.

**MOMENT OF INTERRUPTION - 4:30 P.M.
STANDING ORDER 10(2)**

MADAM SPEAKER: Honourable Member it is now 4:30 PM.

MR. TRUMAN M. BODDEN: Yes, Madam.

HON. THOMAS C. JEFFERSON: Madam Speaker, Honourable Members agreed this morning, after some discussion which took place on Monday, that we will extend the hours of the House to 5:30 PM. Under Standing Order 83, I move the suspension of Standing Order 10(2) so that we can proceed until 5:30 PM.

QUESTION PUT: AGREED **IN ACCORDANCE WITH PROVISIONS OF STANDING ORDER 83 THAT STANDING ORDER 10(2) BE SUSPENDED TO ENABLE THE HOUSE TO CONTINUE UNTIL 5:30 P.M.**

MADAM SPEAKER: Please continue, Honourable Member.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. I guess I should just mention on that since the radio goes on until about 11:30 PM., hopefully they will not attempt to put the debate on until 12:30 or 1:00 o'clock at night but leave that extra hour for the following night and that will take them back a little bit but...

So the question of the training and the Caymanianisation of the posts both in Government and the private sector must continue to be a high priority on Government's list. I do believe, I will give them credit for this, that they have been trying, despite what I would criticise as a too rapid expansion of the Civil Service but they have been trying to, as far as possible, see that Caymans who qualify for posts should fill those posts. I believe the Public Service Commission, which appoints civil servants, I guess provided they are left free from any political interference, which hopefully will not come in the future, will continue to press on in this area.

It is worrying that we have an economy that has to be fed with large amounts of foreign labour which puts a very heavy strain on the infrastructure, be it the Hospital, or the Schools, or whatever.

The Budget Speech in the question of economy prospects for 1992 and 1993 dealt with what they regarded as an optimistic situation and a normal one. In it the Honourable Financial Secretary stated as follows:

"Although actual future growth in inflation is difficult to predict precisely, the prognosis is that the

seasonally-unadjusted inflation rate may run at an annual average of 9.5% at the end of this year and 10.4% at the end of 1992."

So we find there once again, an increase in the inflation which is bad for the country.

This, while affected considerably by the US economy, as he has stated, is one which is not totally tied to the US economy and therefore, we find that there is probably a six month delay between our following a trend in North America on the economic side and a six month delay in coming out of an economic recession. We get it later, we come out of it later. If you have factors locally, such as the imposition of taxes which drives up inflation, it could extend it well beyond the normal period that we have found prevalent in past years. What is clear is that people in business in this country, many of them are hurting.

It is of no use to hide our heads in the sand and say that it is a good budget and that everything is well. We have to face up to reality. It is of no use to blame, as I will go on to show the two Elected Members of Executive Council attempted to do trying to blame other people. There are problems out there and they are expected to fix them. If they cannot fix them then they are incompetent to do their job.

The only solution to that is for the people of this country to change them in November of next year. They have had their turn at this and despite all that was said about qualifications, which I will deal with at a later stage, the hard fact is that the country and the people are suffering and they expect answers to the problem of not being hurt further or having the Government constantly extracting heavier and heavier taxes.

I guess what is most alarming on this is that as the inflation rate goes up, by the end of next year the way the gap between the revenue and with the expenditure increasing so rapidly, the way they are widening, if they are to balance a budget in a year's time, they no longer have reserves to draw, they cannot borrow very much more, they are going to have to put more taxes on. I do not see any way out of that with this Government.

The Member for Communications and Works tried to imply that the solution, it seems, that we may have is further taxation. That is the furthest thing away from my mind. I will never agree to direct taxation or income tax or whatever he was talking about and it is really a very dangerous game when implications of that sort get thrown around.

Our position is crystal clear in that respect. It is clear from the eight years that I was in Government in that we managed always to have a considerable surplus of local revenue, not borrowings, local revenue. In fact I will show that in some years this went to a stage where it was sufficient for many years to cover the capital needs of the country. So I would be the last one to even think of that. In fact the \$20 million taxes put on in the last 16 months is probably more than all taxes cumulatively put on by all of the previous Governments in the last 20 or 30 years. That is a fact. A lot of our time was spent taking it off. We took import duty off of, I think, 23 or 24 different items which helped the little man. It helped the man in the street. It helped it us all but it was dealing with necessities things and foodstuffs that people and their children needed and not this constant putting on of taxes in areas of necessities such as diesel.

The revenue growth, as stated in the Budget at paragraph 4.1. under Fiscal Performance says that the revenue collected from local sources rose from \$96 million in 1989 to \$102 million in 1990 and that the growth rate in 1990 was 6.3 per cent which is a little less than half the growth rate of 12.9 per cent in 1989 so that the growth in local revenue has been getting less and less.

Then we go on to paragraph 4.1.2. in the Budget Speech and this is a Speech that is fully approved and accepted by the Elected Members of Executive Council.

"Total public expenditure rose in nominal terms from \$96.4 million in 1989 to \$116.3 million in 1990. This represents a 20.9% growth in 1990, compared to 11.6% growth in 1989. Since there was a reduction in capital expenditure by about \$1.7 million, the growth in total public expenditure was due mainly to a 27% growth in recurrent expenditure from \$81.1 million in 1989 to approximately \$103 million in 1990. The total recurrent expenditure of \$103 million in 1990 represents 17.3% of the GDP....".

So what we have seen is a phenomenal growth in expenditure which the Government has made no attempts to curb. This 27 per cent growth in recurrent expenditure is significant because it is an expenditure that once it grows, is very hard to cut back. This is the Civil Service. It is the cause for debt which has obviously gone up considerably and once you get a large debt and you get large salary expenditures in a country, the country is beginning to head for a financial crisis. Further on the Budget Speech brings out clearly what is going to happen as this expenditure increases.

What seems not to have come back sufficiently harshly to the Elected Government is that they cannot continue to spend, year after year, more than they make. This is a very basic principle of common sense. If you spend more and more, year after year, you reach the stage of no return. That stage of no return is getting very near.

I will show, because the Member for Communications and Works and the Member for Health and Social Services talked about the position in 1984. I want to show them that at that stage this country had nearly enough reserves and cash to pay for their public debt. A totally different situation from now. It is not as if this problem has just arisen. The problem has been coming on for years, ever since their Government took over. It had one reasonable year and then it seems like everything in it went haywire. There is now a move to see which Member of Executive Council can spend the most money, the quickest on their

pet projects. It surely is not going on the necessary projects such as filling pot holes. We heard excuses for that that I will deal with later that are fairly new excuses to me.

Now the Budget has stated that there was an overall deficit of \$13.9 million in 1990 and contrast to marginal current account deficits and some overall surpluses in previous years. So it is of no use to say that things were bad in the past. This bears out clearly. They never got to this stage. I am not saying that some times in the past were not bad financially but this statement makes it very clear. I would just like to read that. Very briefly it said:

"However, there was a current account deficit of \$900,000 for 1990 in contrast to surpluses of above 10% of current revenue in previous years, and an overall deficit of \$13.9 million in contrast to marginal current account deficits and some overall surpluses in previous years."

What the Budget Address, which is approved and accepted by the Executive Council Members, is saying is that the first time the deficit of this country has reached \$13.9 million, an alarming amount.

The Member for Health and Social Services went on to refer to the fact that in it they said that there was no evidence that the deficit on the 1990 Revenue of approximately \$4 million has traumatised the economy. But let me ask the question, it surely has not helped the economy? If it has not traumatised it, it surely has hurt it and it has hurt it very badly. The results of a deficit of \$13.9 million has been that taxes have been put on and transfers from General Reserves have ultimately had to go on.

Then we go on to what I think is a classic statement which has been twisted by the two Elected Members of Executive Council, earlier. I would like to just read this and deal with this in a bit of depth.

"The Economic Development Unit has estimated, that on the basis of a 4.1 unbalanced budget multiplier for 1990, the indications are that the additional increase in public spending in 1990 could generate additional consumer activity of approximately \$58 million by the end of 1991, which would approximate about 9.6% of 1990 nominal GDP."

Madam Speaker, I have no reason to doubt that there is a multiplier effect in relation to the unbalanced budget. But that is not a good thing. What this is doing is driving up inflation in the country because the Government is taking the money from public and spending it for their purposes. The fact that it is generating some stimulation to the economy is not the answer.

If this multiplier was applied to revenue spent by the Government which had been earned from some source other than taking it from the people in taxes, I could see where they could boast about it. But this is a very feeble and I think, a very shrewd, attempt to say, "Look, deficit budgeting is good."

It is not good. It cannot be good. If it was good, those four Elected Members over there would not spend half of their time trying to explain to the country why the country has deficit budgeting and why they are spending more money than they are making. Nothing could be, I think, more worrying than a Government which is lulled into the stage that deficit budgeting is a way of life and must continue on because of its inflationary multiplier effect in the economy. That is dangerous!

The statement is true but it is a very dangerous statement. It is no consolation that as a result of deficit budgeting you are turning over 4:1 the amount of the unbalanced budget. That does not help. It surely is not going to help the people who are paying the taxes or who now no longer have the assets and reserves that are going to be transferred from there. So while they are making "paper money" so to speak, "book money" out there, on the other hand the people of the country suffer.

This is getting into a very heavy area of the Budget and I would like to move away from there for a short while into some of the less heavy areas that the Budget has dealt with.

We have seen, and this is very good, the statements that have dealt with manpower planning part of which was touched on earlier in the Budget. We now see that the Government is talking a planned, or as they say here, "a comprehensive, integrated, systematic, or planned approach to local manpower training development in the Cayman Islands."

They got out the 1990 Report. This is all good and it is positive. There is now being focussed within Government a move to have more in-house training programmes. There is a move to try to assess what the manpower demand of the country is and to analyse it and then to deal with problems within it.

The section that has been dealing with this, while the statistics are still early, I believe that they are moving on the right path to try to find out what the problems are out there before they get to a stage where they become nearly impossible to change. With areas where people are working and they become dissatisfied for whatever reason, or where you have the country training more people in areas that are really not needed, then you can have an excess of labour in one area and a demand in the other area where there are not sufficient people to fill the jobs. So proper planning in this area has to be followed through and it has to be geared towards seeing that as far as possible the Education Council which grants scholarships and the Personnel Department of Government are encouraging and training staff as well as people on the outside within areas where they can fill jobs in the country.

This is one that I think cannot be overemphasised because the proper planning is very important to seeing that the limited manpower within the country is used to the best advantage that we can to fill the necessary jobs in the country. It does not get away from the policy that we must

still bring in what labour is reasonable and necessary for positions within the country that cannot be filled locally but it will also assist the Immigration Department in seeing that we do not get excesses of work permits issued in areas where we have Caymanians locally who can fill those posts.

So from the point of view of both the local labour market and the foreign labour market in the country, it has to have a very positive impact and I commend the efforts here of the Honourable Financial Secretary and the Elected Members of Government. I give them due where they are entitled to it for pressing on with this.

The Formal Summer Internship Programme which actually, I believe probably arose out of a motion that was brought by the First Elected Member for West Bay, at least it is similar to the apprenticeship system that he spoke about, is good. It is really a summer programme but it does give the on-the-job training and experience. More than that, it gives young people a chance to see what the different professions, or jobs, or vocations, are. It gives them a feel of where they would like to go and make their contribution in the future. This is once again, something that I fully support. In fact, it is very similar to the Cayman Islands Law School which had, as we know, originally five years of articles which basically is the apprenticeship programme. That has worked superbly and it has produced a lot of good, local, Caymanian lawyers who would never have been able to go overseas and get the training.

So if this can be extended, in due course, to include a wider apprenticeship programme, I think that it would be very good. There is no reason why in future years, once a programme is up and running, it could not be extended beyond the summer type of training into areas which would assist both the apprentice and the employer. It is good to know about.

I have found it very good during the summer and sometimes I have taken up to five or six students into my law firm, which is literally equal to all of my staff, excluding the attorneys in there. While I have limited space what I have found is that it helps them and it gives them some idea of what goes on in a law firm but it also helps me to see the students. Many of them who were with me during summer periods, at a later stage have come back and this I think is rewarding. Many of them have moved on to qualifications and gone elsewhere but you do get a feeling that you are actually doing something for the youth of this country.

It does not just apply to youth, I am using that because it has been mainly students from school that I have taken in. In fact the last article clerk, who is now an attorney, who I articulated four years ago was actually, I guess, probably older than I am, I believe. So it is not just limited to that.

Many of them who have come to me are really students in school or just out of school who can see what a law firm is like. They can decide whether they like it or not. Some move on to law or some may move on to other areas of qualifications.

It is important, as was stated here, that the programme must be interactive. Therefore there has to be that link and consultation with this specific programme with the institution or college which the intern is in as a student so that the relationship and the help to that student can be given.

I am very happy to see that the training programme, as was stated in this, is going to start in the Civil Service and it is going to be broadened into the private sector with firms that are interested in participating in the programme.

I guess it is always good to begin on home turf because the Civil Service of this country is now the largest employer and it is a very significant part of the work force of the country. I believe it is a good area where you have access to a lot of resources, a lot of very good people in there and it is sometimes simpler to take and set up this type of programme within a large organisation because when it works it is in place.

Whereas, with smaller organisations there are the problems that are peculiar to the organisation such as, for example, while I took in five students one summer, I did not have the space and it worried me a little bit that some of them had to stay in a conference room and some of them would go in my office when I was not there. But within Government I believe you can reach the largest amount of people the quickest and the most effective way.

The Civil Service Employment Performance which was mentioned in the Budget, I believe that within the Civil Service it has achieved very good efficiency in many areas. I believe also that if you are going to keep a Civil Service that is very capable and gives high production in jobs, you are going to have to pay them. At a later stage I will go on to my views on salaries. However, we are coming to a stage where the recurrent expenditure on the Civil Service is getting very high. It is very high because since the early 1980s the Civil Service has doubled in size. A lot of it is needed. I am not saying that. I really believe that the Government has to reach a stage where it slows down considerably on the expansion of the Service because they can no longer afford to pay the debt of the country and to pay the Civil Service.

When we are getting to the stage where the taxes that are put on which detract from the Civil Service salaries are reaching the stages that it now reaches, then I believe that Government has to look more towards privatisation of projects which can be privatised. I do not mean something like setting up a public Health Authority. To me that is going to be a waste of funds.

What I do mean is that whenever projects can be moved out to the private sector, as was done with things like utilities and water in many respects, they must look at reducing the size of those projects which can be passed on to the private sector.

I want to make it clear that I am not saying to go in and start cutting into the Service unrealistically. I am saying that Government should try to put a brake on the expansion of the Service. What is unfortunate is that when the Government gets up and pays lip-service to that theory and we find, for example, the Member for Communications and Works putting, I think it was, some \$320,000 or \$330,000 into Capital for new staff, then we are really not achieving anything.

This year it is up again by another \$1.1 million. I believe both he and the Member for Health and Social Services, and I may be wrong about the last Member, but they have now both learned the tactic that you can stick these under Consultancies and under Capital and get away with it then look at the public and say they are not increasing the Service. I do not think that it is fair and I believe that the Estimates should clearly reflect or put a footnote to the effect where new services are to look at page so and so under Capital and there extra new services there. I will go specifically to those at a later stage.

What I am really saying is that it is of no use to say that Government is going to hold back on expanding the Civil Service on the one hand when we find little ways of achieving the same thing and increasing the Civil Service year after year.

I do not believe that it is as good to set up a statutory authority that is going to manage an area that was formally managed by Government as it is to put it squarely in the private sector, even though I understand that there are some that cannot perhaps go into the private sector and be privatised or which really cannot even go to a statutory authority.

So in relation to the Civil Service, I am satisfied that there is overall efficiency, as was stated in here. In every organisation there is going to be some of those who will not do a full day's work for a full day's pay but I believe that we have to look very hard now at limiting our expansion, I repeat our expansion, of the Civil Service.

I would like to turn now to the Public Sector Investment Committee (PSIC) as mentioned in the Budget. This is mainly to advise Government on the on the quality of the capital projects proposed for investment in the different sectors of Government mentioned, and to assist the Government in the operation and maintenance of the quality of the investments. This is once again, a novel move and I commend the Financial Secretary. I also commend the Elected Government for pushing on with this. But this will have no effect if the attitude which we have seen displayed by the Member for Health and Social Service continues where the Government is given good advice and they do not accept it.

The functioning and the working of the Public Sector Investment Committee has got to be that Government has faith in the advice that it is given and they are prepared to accept it when it is in the interest of this country. If that does not exist then we are merely setting up more experts to give advice to a Government that takes these reports, shelves them and does as it so wishes. At least, this one is under the Finance Department so it cannot be rapidly dismantled by the Member for Health and Social Services as he has done on past occasions where the advice has not come out in his favour.

What has been set out in this is very good and very ideal. It states:

"Capital investment projects need to be not only economically and financially attractive (in those cases where economic and financial considerations are most important), but also technically, administratively, socially, and environmentally feasible. Hence, the goals, purposes, objectives, effects and impacts of the proposed investment should be clearly stated and acceptable to Government."

If this works, then it is going to be one of the areas in which Government can begin to see a reduction in expenditure in areas where money has been wasted. But I come back to the fact that the Government has to accept and liaise with this Committee to ensure that its full effectiveness is carried through.

What cannot be done, as was seen in the past, is to have a Member and in fact both the Member for Health and Social Services and the Member for Communications and Works on different occasions, going and dealing with large tenders which should have gone to the Public Tenders Committee of Government and where we know, at least on some of these in the area of Health, money has been wasted which perhaps a committee like this or the Tenders Committee would have caught and would not have had it wasted.

At a later stage I would like to show that notwithstanding all that has happened there, fairly recently a substantial contract or agreement of some sort was awarded to the Cleveland Clinic in relation to medical services somewhere in excess of \$1 million which never went to the Public Tenders Committee and some of the evidence which was taken by the Public Accounts Committee, in public, openly here, I am going to deal with to show how frightening it can be when the proper procedures are not followed.

I cannot believe that it is good for the country where good advice is given that it is shelved. This Government has spent more money on consultants and produced more reports than any other Government in the past and I think, any other Government in the future. I believe in experts but I believe in relevant reports. Some of those I doubt very much if all Members of Executive Council have read them in depth. At least I find some of them very heavy going. A good example are the two sitting in front of us which were recently laid on the Table. One of them is about an inch and half thick.

I guess what I am saying is that a lot less money could have been spent and a lot more produced. Hopefully the guidance on the capital investment areas by the Public Sector Investment Committee will reduce some of this money that is being wasted.

I would like to go on to improvements in the Budget expenditure management. Obviously, the larger the Government Budget gets, the more important it is to have proper management of it. I believe the Financial Secretary's statement that:

"While the attainment of overall budgetary balance is prudent and practical course of fiscal action, it is equally important that account centers which manage their budgets, also endeavor to practice

prudence in spending their budgetary allocations."

While it is good to reduce the size of the budget overall, if it is looked at on a one to one basis within the units of Government then that is much better and the savings have got to be considerably more. However, we continue to find areas where money is wasted. No one can tell me that the headlong drive for the twin-site hospital and \$1 million for plans, when there is no approval in the Budget for any money to spend on building that hospital, is wise.

It should be left for such time and budgeted for such time that the building was going on. Or maybe the building is going to go on next year I do not know because this Government has always taken what I regard as a "short-circuiting" of the budgetary process. They present the Budget here and they leave out large areas so that they can get it balanced. They leave out Cayman Airways where we know we have given a guarantee on millions of dollars and Government will have to pick up money there and they leave out the Hospital. Yet, we have Members going ahead and spending money in areas that I do not think a prudent man would spend money on. That is why I like the statement in the Budget Speech which said:

"It is that all account centers shall be expected to manage their budgeted expenditures with the care, skill, prudence and diligence under the circumstances prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims."

Now if the Honourable Financial Secretary could extend that to the Elected Members' ability not only to manage the Budget but to deal with their spending generally, this country would not be in the financial mess it is in now.

It is a good ideal and I commend him for putting it in there and he may achieve it within the Civil Service side of the Government but I have no doubt that the present Elected Government of this country are not going to toe the line for that. He goes on to say:

"It assumes that Government is only a trustee of public finances, and therefore it has a fiduciary duty to manage the public's money as would a prudent man engaged in a similar business with similar goals and aims."

A very novel statement, very noble, however, it is as far away from reality with the present Elected Government as we can find. He stated:

"Prudence in budgeted expenditure management guards against inefficient and ineffective public spending, which is directly related to underlying weaknesses in the way account centers operate."

When we think back to places like Jamaica and Barbados, where the Constitutional Commissioner came from, places like Turks and Caicos, Trinidad, Guyana really all of what were the gems of the Caribbean, we find that now they are away from what they refer to as "colonial masters". They have the IMF master over them. They dictate the policy of the country because the Government has forgotten that they are only a trustee of the public finances of the country and they have spent, and spent, and spent.

At the end of the day what happens is that the future generation of this country is burdened with economic and financial problems. Burdened with debt. I am going to show what the cost of debt of this country at present is on each working person in this country and it is a horrendous sum.

Countries such as Jamaica and Barbados and the other countries which have gotten into trouble, have gotten there because of exactly the same thing that this Government is doing. They have refused to show prudence in the expenditure within the country.

It is of no use for the Member for Communications and Works talking about what would we Members do to find the money he has spent. That is not the issue. The issue is there has been excessive and overall spending within the Government by the Elected Members of Government which is totally and unreasonably carried out and they are heading down the same path that Jamaica, Trinidad, Guyana and the other countries have gone.

The writing is on the wall if we go on at the rate we are going. This was brought out under Public Debt, which I will deal with tomorrow, by the Financial Secretary where he warned that you cannot go on year after year spending more than the country is making.

I wish him luck with his budget expenditure management and his Public Sector Investment Committee because if ever the country needed financial guidance forced into the heads of the Elected Members of Government, it is now. Let me just say this, the day this country comes down around us through imprudent and excessive spending we are all going to suffer. They are going to suffer as well as us. So it is just not good enough to move on the basis that a Government should go out there and only try to find revenue to cover its expenditure. It must learn to live within its means. If it cannot live within its means then quite frankly, I believe that the Government has failed the people because this is where and this is the path that other countries have taken.

We know that the bitter pill of over-expenditure is the harsh rod ultimately of the International Monetary Fund, or the World Bank, or the United Kingdom if you are grant aided which is not beyond reasonable thought if we have to proceed in the manner in which we are going now.

There have been Budget Preparation Guidelines issued and while I have not been through these or have not seen them, I hope that they have very clear guidelines in it that

state one only spends within what the country is making, otherwise tighten your belt.

I know the Member for Communications and Works criticised the Third Elected Member for West Bay about tightening his belt but the Elected Government of this country do not know where their belt is much less have a view of tightening it. Their only aim has been to spend. That is something you do not need sense for and you do not need qualifications to do. Anybody can spend money.

So it is not a feather in anyone's cap that they are spending more money than they are making. I think it is stupidity and inefficiency when we get to that stage. The Budget Speech dealt with an opening to some of what I mentioned earlier which were Steps taken to improve Overall Fiscal Management. It opened by saying:

"On this basis, I have concluded that there has been a marked divergence in the growth trends between realized local revenue and actual recurrent expenditure, particularly in 1989 and 1990, and that if this trend is allowed to continue unchecked, public finance would be drifting in the wrong direction."

Madam Speaker, that statement is something that I believe anyone with sense in this country could spend a full four hours trying to preach to the Elected Government. But it is too polite. The Financial Secretary is too polite in what he is saying because the trend now is - not in the future - that public finance is drifting in the wrong direction. It is not a question of something to happen in the future. This is a harsh reality of the present time.

While the Elected Members may have tried to polish this Budget Debate up as best they could to make it look good, statements such as that merely draw attention to the underlying critical problems that now exist in this country. The reference is to 1989 and 1990. We are now in 1991. We are looking a gloomy picture for 1992.

The position must continue to be unchecked because the Elected Government of this country have no answers to the financial problems that besiege this country. They have given absolutely no answer to the problems of the country and the drift must continue. It must worsen and the only thing and the only hope must be ultimately in 1992 to change the bad managers and to put in people who can try to pick up the pieces because there are just going to be a few pieces left to pick up as I see it, and try to move on with a consolidation of the country's finances and some common sense approach to this radical and blatant spending within the country.

MADAM SPEAKER:
the House.

It is now 5:30 PM. I will ask for the motion for the adjournment of

ADJOURNMENT

HON. THOMAS C. JEFFERSON:
House until 10:00 o'clock tomorrow morning.

Madam Speaker, I move the adjournment of this Honourable

MADAM SPEAKER:
until 10 o'clock tomorrow morning. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM SPEAKER:
tomorrow morning at 10 o'clock.

The Ayes have it. The House is accordingly adjourned until

AT 5:30 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., THURSDAY, 28TH NOVEMBER, 1991.

**THURSDAY
28TH NOVEMBER, 1991
10:05 A.M.**

MADAM SPEAKER: Prayers by the Member for East End.

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

Bless our Sovereign Lady Queen Elizabeth II, 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 Speaker of the Legislative Assembly, 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.

Let us say the Lord's prayer together:

Our Father who art in Heaven, Hallowed be Thy Name, Thy Kingdom come, Thy will be done 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.

MADAM SPEAKER: Please be seated. Proceedings are resumed. Presentation of Papers and Reports Third Interim Report of the Select Committee on Immigration Legislation, the Honourable Third Official Member responsible for Internal and External Affairs.

PRESENTATION OF PAPERS AND REPORTS

THIRD INTERIM REPORT OF THE SELECT COMMITTEE ON IMMIGRATION LEGISLATION

HON. J. LEMUEL HURLSTON: Madam Speaker, I beg to lay on the table of this Honourable House the Third Interim Report of the Select Committee of the whole House on Immigration Legislation.

MADAM SPEAKER: So ordered.

HON. J. LEMUEL HURLSTON: Madam Speaker, the Select Committee on Immigration Legislation was established on the 22nd of February 1989, pursuant to the passing of amended Government Motion No. 2/89. The Motion read:

"AMENDED 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 Licencing Law and the Local Companies Control Law 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 Order 24(1) and 69(1), do appoint a 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."

At the same sitting of the Legislature the Presiding Officer in accordance with the provisions of Standing Orders 69(2) nominated me to be Chairman of the Select Committee. Mr. Franklin Smith, having tendered his resignation as a member of the Legislature on the 1st of March, 1990, was replaced by Mr. G. Haig Bodden at a bi-election held in the Electoral district of Bodden Town on the 30th of May, 1990, and sworn into the Legislature on the 11th of June, 1990.

In accordance with the provisions of Standing Order 72(1) the Select Committee wishes to report that it has met to deliberate the matters referred to it by Government Motion No. 2/89 but finds itself unable to conclude deliberations prior to the end this 1991 Session of the Legislature.

Since the committee's establishment, 21 meetings have been

held thus far. Two interim reports have been laid in the Legislative Assembly the first during the 1989 Session of the Legislature on the 27th of November, 1989, and the second during the 1990 Session on the 22nd of November, 1990. The committee's meetings were held in abeyance for some 10 months during 1991 as a result of the committee's decision to have drafted for its consideration a first draft discussion Immigration Bill and also as a result of the committee giving precedence to the meetings of the Select Committee established a Review of the Cayman Islands Constitution Order, 1972 which committee tabled its report at a special meeting of the Legislature on the 28th of October, 1991.

A first committee draft Immigration Bill, including regulations, has been drafted in accordance with the committee's drafting instructions. The committee has commenced deliberations of the discussion bill and will continue deliberations following this current meeting of the House. Upon conclusion of this work the committee will consider publication of the draft bill for further public reaction before the Report of the Select Committee is tabled.

The committee wishes to register its concern that *The New Caymanian* edition of the 9th to the 15th of August, 1991, carried an in-depth article in violation of Standing Order, 71(4) of the committees confidential draft discussion bill and draft minutes of meetings.

Although a number of positives arose as a result of the press leak, providing feedback from members of the public, it also gave cause for misrepresentation of inconclusive deliberations and decisions of the committee.

During the 1989 and 1990 Session of the Legislative Assembly the committee received 20 representations from individual members of the public and organisations within the Islands and heard 26 persons, including the Chairman and Secretary of the Caymanian Protection Board, the Chief and Deputy Chief Immigration Officers and the Head of the Customs Department. Two written representations were received this year pursuant to the press leak.

In 1989, the committee also met Mr. Allan Carter, Overseas Immigration Advisor, at the close of his three month assignment with the Government to review the administration aspects of immigration within the Islands. Mr. Carter imparted his knowledge of immigration matters and briefed members of his general over-view of the Cayman Islands current immigration situation.

To assist the committee in arriving at its first discussion bill, a summary of the representations was drafted and deliberated upon. This summary was a neutral document comprising 130 submissions. The committee also had before it the following papers to assist in deliberations arriving at the discussion bill.

- "1) The Caymanian Protection Law, 1984.
- 2) The Trade and Business Licensing Law, Revised.
- 3) The Local Companies Control Law, Revised.
- 4) The British Nationality Act, 1981.
- 5) A Fact Sheet About British Nationality.
- 6) A Brief History on Immigration Legislation by the Chairman.
- 7) Submissions from the Chief Immigration Officer.
- 8) Papers on Swiss Immigration Policies.
- 9) Extracts in Relation to the Committees Work from the Immigration Advisors Report.
- 10) Address by the Chairman of the Caymanian Protection Board to the Chamber of Commerce on the 25th October, 1990.
- 11) Immigration and Employment Statistics.
- 12) 20 Written Representations.
- 13) Summary of Written Representations.
- 14) Various Statistics and Notes Provided by the Chief Immigration Officer."

The committee is indebted to all persons and/or organisations who have thus far seen fit to contribute to the development of this sector of the Cayman Islands by participating in the committee's work of reviewing the existing Immigration Legislation. This Third Interim Report of the Select Committee is the report of the committee and I thank you, Madam Speaker.

MADAM SPEAKER: I wish to inform Members that with permission the Third Elected Member for West Bay will be absent from today's sitting and tomorrow's as well.

The next item on the Order Paper for today, Questions to Honourable Members No. 269 the Second Elected Member for Cayman Brac and Little Cayman.

QUESTIONS TO HONOURABLE MEMBERS

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

NO. 269: Would the Honourable Member say what progress has been made in the investigation into police misconduct involving the Regina vs Patrick Campbell case?

ANSWER: A Senior Officer was appointed to investigate these allegations the day after the trial of Patrick Campbell was discontinued. Enquiries are still in progress.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementary, the Second Elected Member for Cayman Brac and Little Cayman.

MR. GILBERT A. McLEAN: Madam Speaker, in light of the fact that evidence came out in the Court in this trial to the extent that the trial was discontinued and the accused was acquitted, is that not sufficient evidence for the police simply to collate this information and present it to the proper authorities? If not, what other type of investigation might be taking place?

HON. J. LEMUEL HURLSTON: Madam Speaker, the matter under investigation is a complete re-investigation of the case that was originally investigated. That is what is being addressed.

MADAM SPEAKER: First Elected Member for Bodden Town.

MR. ROY BODDEN: Thank you, Madam Speaker. I wonder if the Honourable Member could say if this Officer recruited to do the investigation is from the police force or from outside of the force?

HON. J. LEMUEL HURLSTON: Madam Speaker, the Officer heading the investigation at this stage is a Senior Officer within the Royal Cayman Islands Police from an independent branch, not associated with the branch that did the original investigation.

MADAM SPEAKER: The Second Elected Member for Bodden Town.

MR. G. HAIG BODDEN: Madam Speaker, can the Member say as this incident involved Senior Police Officers, why did not the authorities seek an independent review?

HON. J. LEMUEL HURLSTON: Madam Speaker, the Government was particularly anxious to commence an investigation immediately and the decision was taken to have a Senior Officer appointed immediately to commence that investigation.

MADAM SPEAKER: The Member for East End.

MR. JOHN B. McLEAN: Thank you, Madam Speaker. I wonder if the Member could say, taking into consideration that an individual has been acquitted on this murder case, are there any plans to try and bring to justice someone who might have done this crime?

HON. J. LEMUEL HURLSTON: Madam Speaker, that is a matter to arise out of the re-investigation of the circumstances leading to the discontinuation of that particular case. It would be speculative to assume what may come out of that investigation.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Would the Honourable Member say whether the Officer who is doing the investigation is higher in rank than the most senior person involved previously in the case?

HON. J. LEMUEL HURLSTON: Yes, Madam Speaker. The Officer is senior in rank.

MADAM SPEAKER: The First Elected Member for Bodden Town.

MR. ROY BODDEN: Thank you, Madam Speaker. I wonder if the Honourable Member could say whether the Officers in question in the report have been on suspension while this present investigation is in place?

HON. J. LEMUEL HURLSTON: No, Madam Speaker.

MR. ROY BODDEN: Excuse me, Madam Speaker. No, meaning that the Officers are not on suspension?

HON. J. LEMUEL HURLSTON: That is correct, Madam Speaker.

MADAM SPEAKER: We have had sufficient questions and supplementaries on this question. We shall proceed to the next one No. 270, standing in the name of 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. 270: Would the Honourable Member say what were the circumstances which led to the rescinding of the Exclusion Order involving one John W. Margeson?

ANSWER: The exclusion order dated 30th October 1990 (Gazetted 19th November 1990) was made under the provisions of section 36(G) of the Caymanian Protection Law, 1984. This followed conviction at the Summary Court on charges of evasion of Import Duty under Section 54 of the Customs Law. In addition to the penalties of fines, deportation was recommended.

On an appeal to the Grand Court, the convictions and sentences were upheld. On further appeal to the Court of Appeal, the convictions were upheld but the Order recommending deportation was quashed.

The Governor-In-Council subsequently reconsidered the matter and after reviewing the reasons expressed in the Judgement by the Court of Appeal, decided to rescind the Exclusion Order.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementary, the Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: The gazetting of Prohibited Immigrants is not limited to recommendations by the court and secondly the answer to that is yes, are not nearly all of the Prohibited Immigrant status of persons done purely on the basis of convictions?

HON. J. LEMUEL HURLSTON: Madam Speaker, the Governor in Council can act on his own initiative in accordance with a number of provisions under that particular section of the Caymanian Protection Law, section 36. There are a number of conditions that enables the Governor in Council to declare a person a Prohibited Immigrant.

There are a number ways in which these recommendations come to the Council, one of which is a recommendation emanating from the courts. The Council however, can exercise its own discretion and in this particular case the Council, having reviewed the reasons expressed in the written judgement, used its own initiative to reverse the Exclusion Order.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Can the Honourable Member say whether it is not usual in most cases that once there is a conviction, normally for drugs, that an Exclusion Order is made and no reasons for judgement go up (I do not know if you can say that) to Council? What I am asking is, normally when a person is convicted of a serious offence an Exclusion Order is made.

HON. J. LEMUEL HURLSTON: That is correct, Madam Speaker. This was not considered by the Court of Appeal to have been a sufficiently serious enough offense for the courts to have recommended deportation. It was considered a minor offense.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Madam Speaker, is it not correct that you have not really made a Deportation Order, which is a more serious matter? You have made an Exclusion Order or made the person a Prohibited Immigrant. Originally you did not follow what the Court recommended anyhow and made a Deportation Order. So my question is, this reversal is more an exception, rather than the normal course by Executive Council?

HON. J. LEMUEL HURLSTON: Madam Speaker, I will concede that it is an exception but it is an exception that is based on the circumstances of the particular case.

MADAM SPEAKER: The Second Elected Member for Cayman Brac and Little Cayman.

MR. GILBERT A. McLEAN: Madam Speaker, in light of the reply that the Member just gave, could he say if it is not correct that the court found not a question of the degree of this offense, but the fact that this man and another, which was reported in yesterday's newspaper, were not given notice that they would have been deported or an Exclusion Order would have been issued and did not have opportunity of making representation before the court?

HON. J. LEMUEL HURLSTON: Madam Speaker, what was reported in the local press yesterday was a part of the judgement that was handed down by the Court of Appeal. The judgement set out a whole series of considerations that ought to be properly taken into account before a court makes such a recommendation. The judgement in this particular case set out those in a very compelling fashion, sufficient for the Government to decide that in this particular case it was an unreasonable decision to have declared the gentlemen a Prohibited Immigrant.

Hence, the reversal.

MADAM SPEAKER: Two Members have caught my eye at the same time. The Member who asked the original question and the Member for East End. The Second Elected Member for Cayman Brac and Little Cayman.

MR. GILBERT A. McLEAN: Madam Speaker, would the Member tell this House what rationale is applied by the Governor and the Executive Council whereby it was led to rescind an Exclusion Order on someone who evaded Custom Duty, thereby causing this country to lose revenue? But it saw fit to institute and exclude an Exclusion Order against a person called Bill Schiller who is married to a Caymanian wife with an infant child whose only offence was the use of a prohibited substance of harm to himself, knowing that his wife and children must leave this country and go into unemployment in a foreign country?

MADAM SPEAKER: That was a very wide question. I think perhaps I will not allow the first part because the Member had answered that in substance as to the reason why His Excellency the Governor rescinded the Order. That was on account of what the Courts had decided. If the Member will just ask the last part, I will ask the Third Official Member to reply to that.

MR. GILBERT A. McLEAN: Madam Speaker, I would like then to ask the Member in light of the findings and the reasons given for the rescission of the Order in the case of John W. Margeson, how then can the Executive Council arrive at an Exclusion Order against Bill Schiller?

HON. J. LEMUEL HURLSTON: Madam Speaker, the legislation makes a distinction between a person convicted of a criminal offence for which the penalty is imprisonment for a period exceeding 12 months. In the case of Mr. Margeson, his penalty was that of a fine and not imprisonment. In the case of Mr. Schiller the penalty was that of imprisonment. The two offences carry separate punishments and it is that distinction that accounts for the different treatment.

MADAM SPEAKER: This is the last question which I will allow. The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Are you then Mr. Member saying that a crime which is against a person's self is regarded as more serious having regard even to a Caymanian spouse than a crime against the state? You follow my distinction?

HON. J. LEMUEL HURLSTON: Yes, Madam Speaker. I do not want to take too much time of the House to explain this but there is a distinction and the court takes the circumstances of each offense into account when imposing the sentence and the penalty. The law that covers Exclusion, the Caymanian Protection Law, recognises that there is a distinction between a minor offense carrying a term of imprisonment of less than 12 months as opposed to an offense carrying a term of imprisonment of 12 months or more. If you like, that is the dividing and distinguishing line. I think that really explains it the best I can.

MADAM SPEAKER: That concludes Question Time for this morning.

MR. W. McKEEVA BUSH: Madam Speaker, on another matter, not connected to that one. May I enquire from the Honourable Member for Tourism when the question regarding Cayman Airways' outstanding loans will be answered? He had promised last week that it would be this week.

MADAM SPEAKER: Would you like to reply, Honourable Member?

HON. W. NORMAN BODDEN: Yes, Madam Speaker, I did say within the week. I would appreciate if I could be given until Monday to answer that.

We shall continue with the debate on the Budget Address. The Third Elected Member for George Town continuing.

GOVERNMENT BUSINESS

BILLS:

SECOND READING

THE APPROPRIATION (1992) BILL, 1991

CONTINUATION OF DEBATE ON THE BUDGET ADDRESS DELIVERED BY THE HONOURABLE FINANCIAL SECRETARY ON 15TH NOVEMBER, 1991

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker.
I was part way into dealing with the statement found at paragraph 42 of the Budget Address in which it stated that:

"On this basis, I have concluded that there has been a marked divergence in the growth trends between realized local revenue and actual recurrent expenditure, particularly in 1989 and 1990, and that if this trend is allowed to continue unchecked, public finance would be drifting in the wrong direction."

That statement is a very important statement because it points very clearly to the fact that this country is now reaching a stage in which it is spending so much more than there is made in revenue that the trend cannot continue in that direction. Something must be done to check it.

Despite the professional effort in what has been put forward in the Budget Speech relating to matters such as the Public Sector Investment Committee, the Budgetary Committee and this sort of thing, that is not the answer to this country's problems.

What it comes back to is that the Elected Members of this country must stop wasting public funds on their pet projects. They must understand that it is not only good economic sense, but it is basic common sense that they cannot keep spending year after year far more than they make and that they are heading the country towards bankruptcy. I do not see anything of any substance in this Budget which is going to check this blatantly wrong course that the Government is taking and I can only hope that in November 1992, the people of this country deal with the problem that is causing this, that is the four Elected Members of Executive Council. There are at least two Members, I can show, who feel that their accountability to the public is limited during their tenure of office in this House. At least we do know that every four years there has to be accountability.

This is perhaps the reason why this Government has consistently opposed the laws that we have put up to try to get referenda in this country. On major issues when they know that the public wants something and they consistently resist that, I think that Members are shirking their responsibility to the public if they put their own personal views before the views of the public. At this stage there is no doubt in my mind that the public wants this Government to cut its heavy expenditure and to spend more time trying to make some money in areas that are not going to hurt the people. By that, I mean not by slapping on taxes that are hurting Caymanians and residents more and more and doing it in such enormous sums, in such unconscionable ways.

From there I would like to go on to deal with another area, in relation to the expenditure for dealing with the drug problem. Firstly, I would like to congratulate the many service and civic bodies, the churches, and associations that have been assisting the Government and the people in dealing with the drug problem in this country although we find that, as reported today on page one of the *Caymanian Compass*, the drug arrests are again rising. It was also stated at a CASA meeting and I would specifically like to compliment CASA for the work that it is doing. I differ with them in one area, and I will deal with that criticism at a later stage, what we have is an ever increasing position in relation to drugs.

This was borne out in the first three quarters of 1991, when there were 759 drug arrests, (There has been an increase in females to 67) that is compared with 546 in 1990 and 433 in 1989. In fact, there has been nearly a doubling of the drug cases in the last three years and this is a horrifying situation. Not only do we need to preserve the financial element of this country but we also have to preserve the social fabric. What seems to be happening is that the Government is just not doing enough. Very large sums of money are spent on very short pieces of road, it is wasted on million dollar plans for the hospital and when it comes down to what really counts we find that money is scarce.

I know it is a difficult battle and I am not here saying that Government has not been doing something but that it has been badly neglected. A lot has been done by CASA to educate the public and it has instituted several programmes that I think are very good and it has done a lot in the area of education. The Youth to Youth Programme, its Parent to Parent Programme and their Peer Counselling Programmes are all geared on moving towards dealing with making the public more aware of the problem and how to deal with it. However, this has to be tackled from the time children are very young. From what I gleaned from advice given by a Senior Police Officer is that at the tender age of four, five or six is where this has to be and the education begin.

It is important that the Member for Education increases and intensifies the education programme relating to the problems of drugs, beginning from the pre-school stage. I know that there is a certain amount of these programmes in the Primary School and I understand that it will be going in to the Pre-schools but what I am saying is, take some of the money that is going to be wasted on other things and put it in that area.

My, perhaps one criticism, and it is really not a major criticism, because it is not really CASA's problem, is that I know that rehabilitation is extremely costly and the results are extremely small. But if we can save one child's life, it is worth to me whatever the cost would be in terms of dealing with the \$30 or \$40,000, whatever, that may be expended for that purpose.

The Member for Health and Social Services, with a lot of chest beating, produced the Drug Advisory Council. That Council was set up in 1988 to advise the Member to keep under review the situation of drugs and other substances which appear to them likely to be misused; to give to the Member where, either the Advisory Council considers it is expedient to do so, or they are consulted by the Member for advice and measures, which in the opinion of the Advisory Council ought to be taken for preventing the misuse of drugs.

We have seen no more reports from this Council so it seems that either this body has not sat or produced any report in the last year, or has not been giving advice to the Member. As is usual for him, when he does not like the advice given he does not take it.

I am wondering if he has been asking the Advisory Council,

(which is a major body in this country) to help deal with drugs, to advise him and to report to us. Perhaps this is another one of the situations where he has set up a body and forgotten about it, because by his attitude, and he has publicly stated that he may have to write off a generation of Caymanians who are using drugs. By the look of things, the lack of use of the Advisory Council and the lack of Government's initiative to try to deal with the drug problem, he may well have written off a nation. This seems to be his attitude.

What I am saying is, if he had put five per cent of the time into dealing with the drugs in this country, as he has wasted on the hospital in the pond, then we would not have had such a drastic rise in drugs in this country. This is death. This is killing our children. All of us who have children have to try to preserve and keep the fabric of society protected for the future. This is where the Government lacks solidarity and the cohesion that is necessary to put in place a national policy and carry it through.

I do not know what the full answer to the problem is. But if we have a Drug Advisory Council, at least let it sit, at least get a report, ask for advice and at least appear to the public that you are spending the time necessary on the problem. This is far more important than pensions, it is far more important than the Health Insurance that he has brought out.

In fact, it is more important than the Constitution of this country because if we fail in our drive and especially through a lack of putting in funds that are necessary to deal with the problem, then the whole country will deteriorate from within. We know that this is why Rome which had ruled the world for a thousand years fell. It fell from within. It fell from within its enemies from the outside.

As far as I can remember, in the Budget there is some money put in 1993 for a Rehabilitation Centre. That is not good enough, the Member is not going to be here in 1993. As I deal with that I will show the way politics is being played by all of the Members of Executive Council. I am saying to them that they have to get this back on track as a priority, and something has to be done about it.

I would like now to deal with why I think there is so much misdirection because I think that the Member for Health and Social Services is totally confused regarding his power. Firstly, he is power hungry in many ways, but he believes that he, as the Minister for Health and Social Services is the authority and this is clearly borne out in the pamphlet, Establishing the Cayman Islands Health Authority, 10th October, 1991. There is a section in it, (and this is an Authority the same as the Advisory Council) headed Ministerial Responsibility:

"All authorities are responsible to the legislature through a Minister. Authorities established by legislation specifies Ministerial responsibility. Thus the Minister is ultimately responsible to the public for the administration of any authority under his/her ministry."

When the Public Health Authority was being set up I stated publicly here that what the Member is given is Ministerial responsibility that is not provided for under our constitution. Here is the confirmation of it. He does not have ministerial responsibility but I tell you that by the time he finishes with this country you are going to see what economic irresponsibility is all about.

I would like to go from there to deal with one of the mentions that the Member for Health and Social Services made of the Public Accounts Committee. He called it a kangaroo court. Well, I think the public should know why he is so upset with the Public Accounts Committee. That is an independent body, independent of the Government. I am sorry, I will have to go back a bit. The Auditor General and the Public Accounts Committee were struck at by the Member for Health and Social Services.

The Auditor General is the equivalent, of an External Auditor and he makes a report upon which the Public Account's Committee (PAC) makes comments and we held this in public so what I am going to deal with here has already come out in public. It is one of the things that provides the checks and balances to make sure that the public gets its fair proportion of work or services for the money that is spent.

The reason why there has been such a hatred, I would put in that form, levelled at us in the PAC and at the Auditor General is because we have exposed the Member for Health and Social Services when he did wrong. It is something that he cannot take. It has not only shown that large contracts were awarded without going to the Public Tenders Committee, by him and by at least one other Member of Executive Council and that is out and documented so I am not going to bother with him at this stage. As we pry into this, we found that the only witnesses that put up resistance to PAC were the two witnesses that came from the Portfolio and the department for Health and Social Services.

As questions were put to them, I will show how the country's money, I think, has been wasted. Mrs. Joy Basdeo, who is the Member's Principal Secretary in Health and Social Services, mentioned that and I am quoting her here: "I did say earlier on that one of the reasons we went to the Cleveland Clinic was based on the comprehensiveness of the service and that various hospitals will offer some things but not offer other things". She was then questioned on other facilities and she said this: "No, Sir, we made no direct contact with the other two facilities". So they had gone in and placed some agreement, I do not know what it is, but some agreement that Cleveland Clinic would exclusively take people from the Cayman Islands when they had made no contact with the two other facilities that offered similar services.

What she stated on that further down was that, she did not go to the Public Tenders Committee, on this. When I pressed her and asked:

"You said that you did not go to the Central Tenders Committee because you did not know how much this would cost."

Question: "How much did you provide in estimates for over-seas medical, how has it been running generally in the past years?"

Her reply: "The last few years, Mr. Chairman, over-seas medical has, I believe, always run over a million dollars."

My next question: "Public Tenders deals with everything over \$100,000, why did you not go there?"

She was further pressed because when she was worried on International Healthcare Corporation she stated that her worry caused her to go to the Accountant General and report that she felt it should have gone on and she had so advised the Member to go to Public Tenders Committee. Now we have a situation where this is probably going on year after year. Millions of dollars have been spent and there is no accountability to the Public Tenders Committee. Competing services from other facilities have not been looked at and we further have a situation where the Clinic it self does not have a trauma centre.

This shows you the way that, I believe, the Member for Health and Social Services has directed millions of dollars into a specific institution again, not International Healthcare, but another Cleveland based organisation. This is why there was so much anger in him when he came to deal with this and he referred to us as a 'kangaroo court'. (If I could just be given a minute to find the place here).

The PAC sat for two days in open Chambers for the first time. I hope that after this we will find that a lot of what the Member for Health and Social Services said and criticised, the public will now be able to listen to and see that we acted in a proper way, questioning as we did. What I found to be somewhat worrying was the resistance which made both the Chief Medical Officer and the Principal Secretary for Health and Social Services appear to be under considerable pressure from the Member. In fact, he sat up in the Gallery, he was the only Executive Council Member who came down during questioning of the Portfolios for the Government.

I think we can clearly see why there is anger. I also think we should have no doubt that the Member is going to run the Health Authority as if he is a Member with ministerial responsibility who can direct the people within that Authority. You are going to, for the first time, see politics being imposed on what should be the equivalent of civil servants in the country.

I have the first days of the PAC Committee and I specifically asked the Chief Medical Officer this:

"Mr. Truman Bodden: So you agree then that the Cleveland Clinic lacks one of the very important centres that is needed for accident victims or people who end up needing to go to trauma centre? This is very important because of the high rate of accidents here, is it not Sir?"

Chief Medical Officer replied: "Yes, absolutely. I say again quite clearly, we will refer a patient to the centre which we believe will give the best care to the patient."

By not going to the Public Tenders Committee, two things have arisen. What has been revealed by the Public Accounts Committee is that there has been no competitive bids for over a million dollars which is being paid. There have been no competitive bids because the Member for Health and Social Services believes that he must always get his way. As the Member for Education has pointed out, the Backbenchers or the Legislative Assembly may have its say, but Exco must have its way. Well he has translated that into meaning the Member for Health and Social Services must always have his way.

Secondly, we have a clinic that does not have one of the main things that is needed for accident victims. When people are moved from here they have to be moved rapidly into one of these units and operations are carried out early. In fact I think, though I am not certain of this, the CMO said that it had nothing for pediatrics either. We have the Chairman of PAC here, if he could refresh my memory on that? So the second point is that by not going the route of the Public Tenders Committee, we may also end up with one facility, without specialist services instead of two or three.

A lot has been said about checks and balances in the country. I leaned on this subject by saying that PAC is one of the better, not the best, checks and balances in the interest of the public that any country can have. It is for that reason this particular Member seems to hate and resent us and the Auditor General. As we well know, he believes in imposing his political will, as he has shown us with the pamphlet I read from, where he regards himself as a minister with ministerial responsibility.

From there I would like to go on to deal with a few other areas that were raised in the debate. The Member for Communication and Works spent a lot of time criticising the Third Elected Member for West Bay because he said that the finances of the country were in bad shape. But in effect, he was only repeating what the Member for Communication and Works approved in his own budget and estimates.

When we look at what playing politics is, we find for the first time a column in the Budget which deals with 1993 and 1994 in Estimates. Now this is a very shrewd and a very masterly way of playing politics because in this document the Members' of Executive Council have put out their political campaign for 1993 and 1994. What they are saying in this is that, this is what I am going to do if you put me back in.

The reality of it is, that there was so little in the columns for 1992, that to be frank if they did not have the projected 1993 and the projected 1994, there would have been practically nothing, especially in the capital areas of this Budget. If there ever was politics being played, and I do not know which of the Members, or whether they jointly masterminded it, this is it. This is nothing but pure politics and they know that their tenure of office does not and I am sure will not extend, into 1993 and 1994.

There is one very good thing that has come about in this lay-out

of the Budget. I think it is very much improved and I would say that to the Members of Government. It has given us a lot more detail but into this detail has come some very worrying things. It is showing what areas have been cut from the Budget and at a later stage I will refer to a few of those and show how the priorities of Government seem to have become fairly confused in certain areas.

If we look at page 365, for example, of the Estimates there is an explanation and it says:

"2. To accord with Budget guide lines, the following services are not - repeat not - included within this submission.

2.1 Eliminates renovations of fire alarm system at any school."

Can you imagine that? All the money that is in there for the Jennet L (or T - whatever it is) for the hospital in the pond, and the Government is not spending the money that is necessary to renovate the fire alarm systems at the schools? It goes on to read: Not included - "2.2 No electrical maintenance to schools outside of GT and WB areas.". Can you imagine that? Fires normally arise from electrical problems. So they are leaving the children in schools at risk and it cannot be very much money to bring a fire alarm system up-to-date. I do not know what the Member for Education and Recreation is going to say on that, but that is appalling. Quite frankly they had better just take the money from somewhere else, and I can tell them where they can probably get it from, and put in the few dollars that are necessary to possibly save the lives of our children.

It says not included were: "2.3 A/C services restricted to emergency repairs and minimum maintenance for CIHS and CIMS.". What I guess has been good in this is that we now know with some certainty, some of the services that are badly needed and which Government is not spending money on.

The Member for Communication and Works, I believe must have had his tongue in his cheek when he tried to tell the people of this country that this is a good Budget. I think worse than that, he attempted to say that no effort was made by me during the three years to get the repairs to the shoulders of the road and the potholes dealt with during my time here. But, he knows that I have consistently asked him questions in this House, I have asked him privately to get something done.

George Town and at least all of Grand Cayman's roads are in an appalling state. To show that what he implied was not correct, I want to refer to a motion that I put on the 6th day of December, 1990, relating to last year's Budget. In that we recommended alternatives to the Budget that was put up and specifically at Head 37 - Public Works 07071 - Maintenance of Roads/George Town District - \$500,000. Also, for a Sports Area to the Annex play-field - \$15,000 and you know what happened to that motion? The Member for Communication and Works, along with the First Elected Member for Cayman Brac and his colleagues here and including my other colleague the Member for Tourism, voted down the \$500,000 for maintenance of roads. This is a fact! I challenge him. Here is the motion! So do not tell me I have not tried to get roads done!

I have another area in which I made an attempt to get certain things done. In the Budget that we dealt with the year before, put in there was quite a sizeable sum of money to deal with roads. I remember specifically \$200,000 for the George Town area (and I will just read this here) along with it were other funds and I am reading here from the Minutes of the Finance Committee for 20th December, 1989. Under Construction of Roads were \$200,000 - General and there were \$680,000 for the School Access Road and Boilers Road. \$880,000 which was the largest amount in this for any specific district. He tried to imply and I can send this over to him, he can look at it. He tried to imply that out of that George Town was getting nothing.

What we did, all of these docks and launching ramps that he is taking credit for, the Heading that we put in most of it was new; Launching Ramps - South Sound \$15,000, Bodden Town \$15,000, Newlands \$15,000, Gun Bay \$15,000, North Side \$15,000. By the way we gave the Member for Health and Social Services a launching ramp, we also gave him bleachers that he did not remember to ask for his people and then having put in the ambulance for East End he took and put it in North Side. This is the thanks we got. But what I want to show, let me finish reading this, West Bay North Sound \$15,000, Spotts \$15,000, Frank Sound \$15,000.

Also put in was a park for George Town \$50,000.

What has the Member for Communication and Works done with the money? It is all up probably in the Jennet L. I do not know because I do not see any repairs to the roads. I was trying to give him \$500,000 but they refused it because it would have meant cutting their pet projects.

He has a list of roads and I would ask him if he would please let me have that so I could see what he is referring to there. What we did in this Budget was to try to treat the districts fairly and we gave to North Side every time that we gave the other districts. This is the difference between the Backbenchers and the Government.

Having done that, having been nice to them we put it in the Budget and what did they do? They did nothing with it. They let the funds lapse on many of these projects. One or two of them these days they have revived and are talking about what they are doing on launching ramps. In fact, that year we improved the deficit by close to \$8 or \$900,000 I think we were better off after we had dealt with it. Sure a lot was given to the districts. The different construction of roads in the districts were put in there and we stopped the Master Ground Transportation Plan (MGTP).

I have heard the Member for Communication and Works talking about the MGTP and I am going to deal with that later on. Where would this country be now if we were another \$100 or \$150 million in debt for the super highways that were being built through the swamp? We will be totally up to our ears in debt by the time we have finished building the hospital in the swamp that the Member is getting ready to do.

Also, on the question of roads and launching ramps, the

Member had a lot of money for the launch ramp down at White Hall in George Town and the money was used to do the parking lot and a dock. I said to him, would you please use a bit of it to fix the launch ramp, because the people cannot get their boats in the sea conveniently? They have no need for a dock and they have no need to park their trailer because they are not going to go there and use it. That launch ramp is still in the disastrous state that it has been in ever since the Hurricane dug it out. On top of it now I understand that he has given away the parking there, so he seems to be trying very hard to hurt the people in his district while he is talking about putting launch ramps all over the place and digging out channels for hundreds of thousands of dollars in Cayman Brac.

I do not resent what is done in other places. Let me point that out, but one of the things the Member for Tourism and the Member for Communication and Works have to try to remember is that charity begins at home. When they go to the polls for their votes from the people in George Town, then they are going to have to account to them for why nothing has been done in the important areas.

If you drive along the Crewe Road, for example, the shoulders in an abominable state. Two or three years ago I went with the two Members from George Town to look at the roads in the district. We came to the conclusion from an estimate given by Public Works that over \$3 million, was needed at that stage, to deal with road works. What has been done? Absolutely nothing. It is of no use blaming the rain, you get rain every year. If Public Works cannot deal with rain and schedule its work so that it gets on with it, then the Member has a problem.

The basic problem is that there is no money to do it. The amount of money that it took to do the few hundred feet of the Jennet L, could probably have filled the potholes in a quarter to one-third of the district of George Town. Their priorities are wrong and this is why they have to stand up and try to attack us time and time again. When one tells the truth on matters such as this then one's conscience is clear. People drive over those roads every day.

We appropriated the money to buy the land for that scenic coast line up in South Sound. I cannot believe that every owner there, nobody wants to sell it. I believe what has probably happened is the Member has taken the money and used it somewhere else. Maybe it has come back here and been vired some place. I do not know because what they put in the Budget, I think it was \$750,000 to purchase lands. Just like that, nothing saying where it is going to be purchased or anything else or what it is for.

I am sorry, I am just trying to get this list on the roads, Ma'am. I do not know why this is taking a little while getting to me but on the break if I am still going, I will read it.

What is for certain is that the Government's priorities have definitely been focused in the wrong direction. Instead of doing a small new strip of road, first I believe they should repair what they have. I guess here comes really what I have been saying.

The largest amount of money, the very largest amount of money that was spent on anything was spent on the shortest strip of road, the Jennet L in 1991. So it bears out, now that I have got a list of what I have been saying. It is all well and good if we have the money to build the new roads. I have nothing against that but do not try to say that you are not getting the roads repaired because money was not put in the Budget, when money was put there but you either do not use it or you refuse to vote for it.

The people of this country are very wise. They know that no matter what is said and no matter how educated the person is, reality is reality and when you are paying taxes out of your pocket then you have to ask yourself the question, "If the Government is doing what is right financially, why do they not have money rather than taking it from you"? The Member for Communication and Works referred to voodoo economists. I do not know about that, but I can tell you nobody on that side can go to the public or stand in this House and say that they are ably and properly managing the finances of this country.

From there, I think I should mention that the Bodden Town Capital shows that there is literally nothing in the 1992 column and in 1993 they have put in for Bodden Town, boat ramp jetty, \$50,000, play-field at Breakers of Bodden Town \$200,000 Frank Sound jetty \$20,000. But that is 1993! They do not have the money to do it now and they are not going to be in control to do it then.

Fate is a funny thing. When the Elected Government of this country had some money, just after they took over from the last Government and they could have dealt with a lot of these projects, we had control of Finance Committee and we stopped the big projects like the MGTP. Then through their footwork, which is what the Member for Communications and Works likes to talk about, they got control of Finance Committee and now they do not have any money to do it with. That is interesting but it is very much in the interest of this country because if they had control of finances at that stage this country would have had a debt around its neck that we would never have finished paying.

The other Headings I would like to look at fairly quickly and touch by them. Among all of the criticism that has been levelled at us and after the pressure of the Member for Health and Social Services on International Healthcare Corporation reported on in the 16th of February 1990, Compass, he then said that by the end of June of 1990, he would have 11 good people with back-bone who are not afraid to stand up for what they believe in. Well it looks like that is another failure he can add to his list.

Moving on from there I'll deal with some of the other areas that were raised by the Members and I am just having a look at my notes here. The Member for Communication and Works has said a lot on agriculture and produced a massive Five Year Plan. I understand the plan is costing \$5 million over that period of time and will receive \$1 million annually including in fact, as one of the Budget footnotes said last year, three hundred and odd thousand dollars worth of New Services which were put in to the Capital side.

Notwithstanding that we find that he perhaps has been, doing more talking than really getting things moving. They are not without their ability to pay and employ consultants but many times they lack the ability to carry it through.

The question that I asked the Member for Communication and Works in relation to the petition, I do not want it to be felt that the Chief Engineer, Mr. Donovan Ebanks did not have

a right as a member of the public to sign or to head or whatever he wanted to do with the petition. That was his right and it is his right. I would like to clear up that.

I believe that the Member for Communication and Works will probably go down in history and be remembered best for being the only Member who has failed to get an Agricultural Show within the period of his term of office. Believe me, everyone in this country looks forward to them and I do not know what he needs to do to get it on the road, but for three years now we have had none. I believe it has to be attributed to the fact that instead of spending the money to build the pavilion or whatever is needed to carry this out, the money is going into other areas that he regards as of more priority.

HON. LINFORD A. PIERSON: On a Point of Order, Madam Speaker. The Member is misleading the House. The Member is aware that it is not my responsibility to build the pavilion. It is that of the Agricultural Society. Government's only involvement was the grant of \$80,000 that was donated to the Agricultural Society. He is aware of this, Madam Speaker.

MR. TRUMAN M. BODDEN: Were you not also providing a piece of land?

MADAM SPEAKER: Please address the Chair, Honourable Member.

MR. TRUMAN M. BODDEN: Yes, Madam Speaker. I will just leave it at that. I will not go any further other than saying that during his term of office he will be the only Member who has not seen an Agricultural Show during his whole term. One of the main things that has promoted agriculture in this country.

I would like to go on to an area that is somewhat more detailed. The Member for Communication and Works said words to the effect that in 1984 the country was bankrupt and I am going to deal with that statement because it was aimed at trying to get away from the problems of the present and passing on blame to somebody else. In fact, I have called this Government the blaming Government because they are trying to blame, it must be the last Government for the problems they have now. They have even tried to extend some of that back to when I was in Government and that has been so long ago I do not even remember that much about it.

They blamed the reason for the pot-holes on the rainy weather, the reason why things are not done is because we made one budget that they did not carry out. There is blame just being passed on but the hard fact is that facts do not lie. This is what I would like now to go into and show that the position was totally different from what the Member expressed.

In 1984 a question was asked by the Member for Communication and Works himself, that is why this should be known to him. He asked it, when he was then the Second Elected Member for George Town on the Backbench in the early stages after the Government changed.

This is coming from page 14 of the Hansards of the 4th of March 1985. It is headed thus:

"THE SECOND ELECTED MEMBER FOR GEORGE TOWN TO ASK THE HONOURABLE THIRD OFFICIAL MEMBER RESPONSIBLE FOR FINANCE AND DEVELOPMENT

NO. 6: In view of the conflicting versions given of the financial position of Government as at 31st October, 1984, would the Member state the current balances at that date?

Question from the Member who has now said we were bankrupt.

ANSWER: The current balances of Government's financial position as at 31st October, 1984, were as follows:

a) General Reserves	CI\$10,032,644
b) Surplus balance	891,510
c) Public Debt	8,587,922
d) Self Financing Debt	2,760,444
e) Loans due to Government	10,000,920
f) Bank Overdraft	3,555,372
g) Amount due from Caribbean Development Bank	3,148,840".

What does that show? Madam Speaker, it shows that when we left the Government on the 31st day of October, 1984, the General Reserves of the country were \$10,924,154 or approximately \$11 million reserves. I will add in for their benefit and give them the benefit of the doubt because money was coming in from Caribbean Development Bank to cover the overdraft. I will add the overdraft in, which was \$14,903,738. So we had nearly enough cash in the bank to pay the public debt of the country. We could have liquidated the public debt and there would have only been a debt owing of \$3 million.

Never in this country's history, because I can tell you when we took over in 1976, there were only \$200 and odd thousand of surplus and a debt of \$7 million. So when we left, we left far less debt than we took up in 1976. On top of it, the reserves of the country could nearly cover all of the total public debt.

If the Member would like to look at that or if he would like to

refute it, I will give it to him because it was his question, he knows better and this is going beyond playing politics. Either he has a bad memory or he does not want to remember because I have repeated this here year after year when it is raised by them. There is nobody that can challenge this. I do not know what happened after they took over but when I left the Government in October 1984, this country was in such a position that it could have wiped all except \$3 million of the debt.

Now, look at what has happened. When they took over the Government, at least this was at the end of 1988, the debt had moved up to \$25.1 million but the reserves left by the previous Government was \$19.8 million on a recurrent revenue of \$85 million.

So when they took over the Government from the previous Members in 1988, there was public debt of \$25 million and reserves and surplus's of \$19.8 million. There was still a position that it was only about a \$6 or \$7 million debt if the reserves could have been used to pay the debt. The country was still in a good financial position. Look where it is today! Look where it is today!

In 1992, they project that the debt is going to be \$42.3 million but look where the reserves have gone. It has dropped from \$19.8 million down to an estimated \$9.5 million. They have less reserves projected for 1992 than we had in 1984 when our budget was less than half the amount of the revenues that they are now taking in.

The amount that is left is equivalent to about three weeks expenditure of Government. That is a horrifying thought. If the Member for Communication and Works will try to redefine what bankruptcy is. If we were bankrupt in 1984 when we had nearly \$12 million of reserves to cover the \$13 or \$14 million debt, what does he call the country now when it is \$42 million in debt with projections of \$9.5 million for reserves?

This has to worry the people of this country. What is interesting and I should go back and remind some of the Members of this. The largest amount of capital expenditure this country has ever seen was in 1984 and was \$18.8 million. Most of that was financed out of local revenue. More than half of it came from local revenue because in those days we made enough money to pay our bills.

This Government cannot pay its bills. In fact, I do not think, quite frankly, that this Government can have anymore large borrowings because they are borrowed up to the hilt. This is why the Member for Health and Social Services wants to move the hospital and all of the land across into the Health Authority so he can go out there and Government can guarantee him to borrow another \$15 or \$20 million for the hospital.

What is more horrifying about this is that we are not now just looking at a deficit of last year \$13.9 million and this year more than that. That deficit is totally unrealistic because no account has been taken of the hospital that the Member says he is going to build. The way he pushes around the Elected Executive Council and gets his way, I honestly believe that he is going to get the money to build ...I am sorry.

MADAM SPEAKER:
suspended for 15 minutes.

We could take a suspension at this time. The House will be

HOUSE SUSPENDED AT 11:44 A.M.

HOUSE RESUMED AT 12:09 P.M.

MADAM SPEAKER:
Member for George Town continuing the debate.

Please be seated. Proceedings are resumed. The Third Elected

MR. TRUMAN M. BODDEN:

Thank you, Madam Speaker.

I think I should clear up a point that I know is going to be raised. When I left the Government in October 1984, (and I have given the accounts as at that time), what seems to have happened is that when the new Government came into power then they found such a large amount of money I understand they started spending right, left and centre. I know they paid out money for some of CAL's debts, they bought different things. The accounts at the end of 1984, which is what the Member for Education and Social Services will attempt to use and which was not the position when I left. They had gone ahead and borrowed about \$3 or \$4 million and paid out quite a bit of money.

I say this because after they had done all the borrowing that they needed to do up to the end of 1986, and it was a shrewd tactic. They came in, they suddenly found a sizeable amount of reserves and no debt. They went ahead used what they could and paid out as much as they could within those two months and that increased the debt. I am looking at the 31st of December 1984, when we left in a debt of \$14.9 million. They borrowed approximately another \$4 million in that period and I understand what they did was to put a lot of money into Cayman Airways. They put money in to other projects to try to show that the Audited Accounts at the end of the year were at a different position. I am not saying who masterminded that, because I believe I know, but the position as of 31st October 1984, when we left the Government and at that time the debt stood at \$14.9 million and not the \$18.8 or \$18.9 million that it stood at some months later after the new Government got in.

In fact, I understand that they were so overjoyed when they found out how much money was in Finance Committee that they even started paying off trade debts, that normally exist, which had already been paid before and they put money into just about everything they could find.

In 1985 the total debt was \$18.8, 1986 it was \$17.3 and from there they got underway and it started picking up to \$22.5 in 1987 and \$25.1 in 1988. I am reading from the

Statistical Abstract, the Official Government statistics.

While one of the Members coming behind may try to say, that the debt was more at the end of the year, I admit that. It was more at the end of the year but it was because the new Government went on a spending spree.

The true position, as at the time I left was a \$14.0 million debt and the general reserves and surplus were approximately \$11 million. There was about \$3.+ million difference between the total public debt, that included the self financing debt.

The infrastructure that was left then in good shape. We had just finished the new airport building which is the largest capital expenditure in the building area that was done. As I said, some \$18 million in capital were spent. In fact, the statistics show \$19.1 million were spent that year which means a part of this was what would have been spent by the new Government out of the money that we left.

The statistics also reveal that in every year the recurrent expenditure was far less than the recurrent revenue. These statistics that I have, begin in 1970 and 1975 and in fact, in 1975 the revenue was \$9 million and the expenditure was \$9.5 million. It jumped in 1980. The difference between recurrent expenditure and recurrent revenue was the difference between \$34.9 million in revenue and \$25 million in expenditure - \$9 million to the good.

In 1981, the recurrent revenue was \$42 million and the recurrent expenditure \$26 million, so in that year alone, \$16 million or nearly a quarter of the recurrent revenue was saved in excess of what we spent.

In 1982, \$48 million in revenue and \$46 million of expenditure. In 1983, \$48 million in revenue and \$38 million of expenditure. We had another \$10.6 million in 1983 of revenue in excess of expenditure.

In 1984, the year that we left the recurrent revenue was \$53 million and the recurrent expenditure \$44 million or \$9.7 million in excess. Now, that is all gone. We know that \$11 or \$12 million had to be borrowed last year to pay for the capital expenditure of the country because the revenues could just barely cover, if at all, the expenditure that was there.

One other point on this, deficit has increased in 1990 to \$13.9 million, 1991 I think it was estimated in the area of \$18 million and in 1992, estimated at \$15 odd million. Naturally that is before the borrowings and the taxes go in.

Perhaps the most revealing thing is that when you take a debt of \$42.3 million and you divide it by the Caymanian work force in this country of 8,995, you find that each person of the work force who is Caymanian, have a debt of \$4,702.60. That is the legacy that this Elected Government is leaving for future generations of this country.

I have two young children, one two and one six and it is frightening to think (that with the escalation in debt at the rate that it has gone in the last few years), their hope of coming into a society with sufficient money to pay for the development, the social services, the schools and everything else, gets farther and farther away.

In fact, they are going to be of a generation ridden with a debt that is getting into a horrendous stage. That debt is on despite the fact that \$20,000,000 this year, between the taxes last year and this year, is being taken out, another \$2,000 a year on each working person. That is a lot of money and people out there are hurting at this stage and it seems to me that the Elected Members of Government either are oblivious to this or they just really do not care.

Reference was made to the earlier position, 1984 and here I think one has to address the position of Cayman Airways, which has not been touched on in the Budget. Why not? I do not know. But I believe I know, because if they had put in what we know is an estimated sum that is going to have to be paid out for Cayman Airways then the deficit and the debt of this country would have sky-rocketed tremendously.

From the Audited Accounts, I would like to show the way not only has the finances deteriorated in Government since 1984, but also deteriorated in Cayman Airways. I will move quickly through these but we have a trading and a net deficit or profit and I have put a column for what was paid on the jets because the 727s were being bought by Cayman Airways and as we know Government got US\$5 million back when they were sold and Cayman Airways got \$12.5 million.

In 1984, Cayman Airways had a trading loss of \$313,000, a net loss of \$2.4 million but they had paid nearly \$1.8 million for the jets so there was only, as I would say it, a pure loss of \$640,000.

In 1985, they made a profit on trading of \$461,310 and a net loss of \$1.8 million and they paid \$1.73 on the jets which left a difference of about \$137,000.

In 1986, there was a trading profit of \$818,000, a net of \$1.1 million, they paid \$1.6 million on the jets, so they were \$640,000 better off because the money that was going there, they ultimately got back.

In 1987, the difference was that they were \$762,000 to the better when you took in the payment of the jet of \$1.6 million.

In 1988, they were \$528,000 to the good, taking into consideration a payment of \$1.52 million on the jet.

In 1989, they were actually \$2.4 million to the good because they had made a trading profit of \$2,723,000, net profit of \$978,000, they paid \$1.4 million on the jet which really showed that they were \$2.1 million better off. Why I am saying this is that while we had small deficits, which were normally in the area of \$1 million to \$1.5 million every year on Cayman Airways, in 1989 when it made its largest amount it showed a trading profit of \$2.7 million or \$978,000 profit after paying \$1.429 million for the jet.

In 1990 things radically changed and the net deficits dropped to \$1,625,000 and there was \$3.2 million put in the footnotes of the accounts which, as we know, brought out a deficit of \$4.879 million in the audited accounts. Nothing was paid on the jet so that was in effect a total loss because no assets were coming in and that is the way it has remained every since.

I think that the \$5 million that we guaranteed to the bank in the secret Finance Committee, back in February or March of this year, should have been included in this budget because this Government has to pay it. Cayman Airways has no money to pay it and if we guaranteed it we are going to have to pay its debt.

So, on to the deficit of Government of \$15.8 million estimated for last year or the \$18.odd million for this year, I think CI\$5 million has to be added because we must pay that money. I would be interested to see how the Accountant General is going to deal with it in the accounts when we finally get them next year.

Along with that, I believe that there are probably, \$6, \$7, or \$8 million in payables by Cayman Airways. We know they have an engine that is probably US\$3 million, I am talking US here, and we know that there must be settlement with GPA, whatever that will be, \$5, \$10 million? I do not know. But the fact is that this Budget cannot be realistic closing its eyes to the \$5 million that the Government has guaranteed Cayman Airways. That has to be paid and it is obvious, as I understood it, they are running at a \$6 or \$7 million loss a year. It is obvious that they do not have the funds to pay it.

What I am saying is that we have to add on the CI\$5 million, which we know we must pay. I do not know whether the Member for Tourism is going to come for funds for Cayman Airways, but I would bet that within the next month he will. If that had been put on or taken up earlier, it would have sky-rocketed this Budget and made it so bad that I do not know whether they would have been able to present it.

Lastly, I support fully and I will do everything I can to assist Cayman Airways. I want to make that clear, and the Backbenchers have made that clear in their statements through-out. In fact, that was confirmed 12th January 1990, by a written statement that we put out which began, "We support Cayman Airways and we wish to see it continue successfully", and "fully recognise its important contribution to the Islands", was repeated in June, 1990.

Realities are realities and if Government knows that it has to come here for money then some estimate should have been put in the Budget to show realistically what Government's position really is.

The tactic, probably brought out by the Member for Communication and Works who claims he is the only qualified one in here to come up with figures and I am going to deal with a little bit later, they produce a budget and shortly after they go and get supplementary expenditure so that they do not have to include it in the Budget. That is the way that the money for Cayman Airways is going to come and that is the way the money for the hospital is going to come and if you add that \$5 million, putting it at its best and assuming that Cayman Airways will not need anymore money, we are obligated to pay \$5 million that we have guaranteed.

If you add that together with the \$16 million, which I think is going to be nearer \$26 million, that is going to be borrowed for the hospital by the Public Health Authority, you are then looking a debt or a deficit which has increased by over \$20 million. It is a fact that that is the realistic position. I believe we would be naive to sit here and believe that next year we are not going to have to guarantee funds for that hospital. Not us, because I will be voting against it, but the Government together with the First Elected Member for Cayman Brac, are not going to come here and put through supplementary funds for that hospital.

The other aspect of this, the Member for Communication and Works used a phrase that I think he has coined when referring to us and to the Third Elected Member for West Bay that no one is as blind as those who refuse to see. I thought I had remembered hearing those words in the past used on us before and it is amazing how one seems to forget very quickly when things are bad.

In relation to this deterioration on Cayman Airways, when the change-over was coming about the Member for Communication and Works said words to the effect that, I have checked those figures, (referring to Cayman Airways), and I can tell you that that is true, that maybe you will be spending \$110 million over 15 years but that is one side of it and he went on to refer to the \$2 billion, otherwise translated to nine zeroes. All right?

It was also used on me, as it was used here again on us, by another one of the present Elected Executive Council Members when he said, "I have seen where Mr. Truman Bodden wondered whether the company had thrown away \$14 to \$16 million". This was the change over on the 727 jets. He said, "obviously ladies and gentlemen he has not understood one single word of all the information that has been published including what he published. You know, ladies and gentlemen, there are none so deaf as those who refuse to hear."

I hope, Madam Speaker, that I had been right and that Cayman Airways had only thrown away \$14 to \$16 million, but it is more now with what has been given in subsidies into the twenties of millions of dollars. In fact, this statement was made on the 10th of August, 1989.

Coming now to an area leading up to the area of criticism, the Member for Communication and Works levelled at the Third Elected Member for West Bay about his qualifications. He is qualified, he has a degree.

The Member for Communication and Works in this same time of 1989, specifically said that he had checked the figures for Cayman Airways, he was the only qualified Certified Public Accountant in the Legislative Assembly, which is true! But there are others of us who also have qualifications and who can also understand accounts and understand what this is about.

I believe that when you look at the mistake made by the Member for Communication and Works, the Government at that time and what we predicted regarding them, which has come true today, they had better sit back and try to listen to us. I want to remind them because the Member for Communication and Works also dealt with the MGTP, and this was stopped by us back in 1989, because at that time we issued a statement saying that the country could not afford it then.

That statement went out on the 12th of January 1990, actually, and in it we stated specifically that;

"Before approving any Master Ground Transportation Plan of roads we, as protectors of the public funds have requested the Member for Communication and Works Linford Pierson several months ago for the following:-

- 1) the total cost of construction of the proposed roads;
- 2) the cost of Government acquiring the road reserves out by the Master Ground Transportation Plan;
- 3) how much taxes will be imposed upon the public, in what areas they will be imposed and when;
- 4) where will these substantial funds which we estimate to be in the range of \$100 million be borrowed;
- 5) how will Government repay this amount."

We went on to say at paragraph 11,

"It seems obvious to us and we feel obvious to the public that this country cannot afford the massive network of roads proposed under the plan."

If this country owes nothing else to the seven Backbenchers, and I say this seven because I exclude the First Elected Member for Cayman Brac, who has consistently voted with Government on its projects, if nothing else is owed to the Backbenchers it is owed for us stopping the vast expenditure that would have been put out on the MGTP.

This country is in serious financial problems without having spent that money and quite frankly the country could not have raised that amount of money, in any event to have paid for it. Yet, we see it coming back now in probably the shifting of the alphabet around from MGTP to GRIP or whatever it is now called.

The country has some other taxes to look forward to from what the Member for Communication and Works said. I hear him talking about impact fees so I guess that will be the next thing to finance the projects. I do not know what that will be, but he raised it.

Moving on from there, I would like to refer to what I regard as the Member's responsibility to the Caymanian people. Elected Members of Government should realise that once they are put in this House by the people, they cannot do as they please.

I believe that when a Member's duty to his people becomes a conflict with his personal views, for example, if the Member for Communication and Works feels obliged to build the MGTP or the Member for Health and Social Services wants to build a hospital, which the public is totally against, then it is their duty to either reconcile and accept the wishes of the people or to get out because they no longer represent the people of the Islands.

This was borne out today in a letter by the Chamber of Commerce which substantially I support. It very clearly brought out the fact that while a Member, (in this case they were dealing with the Constitutional Committee, of the Government) may sit as Chairman or may sit as a Member in this House or may sit in Executive Council, his duty is to carry out the expressed wishes of the people. They went on to say that when a Member fails to do so, he has failed in his duty to the Electorate.

Very briefly, it was summed up by saying; "answerability does not come around every four years at election time. An Elected MLA has a duty to the Electorate. To do this he must keep in touch with the Electorate and sound out its views." Occasionally I have had to reconcile my personal views with the views of the people. I have had to accept the views of the people of the Cayman Islands.

Along with what has been said by the Member for Health and Social Services, he and the Member for Communication and Works tried to imply inability and incompetency on the part of the Backbench Members who criticised the Budget. But let us look at what their official position is.

You will find for example, the Member for Health and Social Services had problems keeping a tight control on stocks of drugs while in Government. A simple inventory situation. We know that the Member for Communication and Works, a qualified CPA, has made some drastic mistakes which has cost millions of dollars to the people of this country.

We have a right in adversarial politics to hit out and there are times when we are hit. As men we have to take that as it comes and not get angry and try to destroy a committee or refuse to take advice.

I have a few things I would like to point out. I have found that in the 1991 Estimates, there has been a reduction in Sports Grants down from \$186,000 to \$153,000; private schools, I am not certain if that is what it was last time, but I know we tried to get increases when we put up amendments to

the Budget and did not get them, the Support Grants are down by \$23,000 this year from \$374,091 to \$347,000?.

What keeps on showing very clearly is that the consultancy fees never seem to ever stop and at the end of this Government's four years I bet if they are added up you will find that never again in the history of this country will so much be spent on consultants.

MADAM SPEAKER: Honourable Member would it be convenient to adjourn now? I understand that some Members wish to adjourn at a quarter to one. The House will be suspended until 2:15 P.M.

THE HOUSE SUSPENDED AT 12:47 P.M.

THE HOUSE RESUMED AT 2:19 P.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed, the Third Elected Member for George Town continuing with the debate.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. I only have a few short things and then I will deal with the summary and winding up.

The Member for Communications and Works talked about naming the Jennet L after Doctor Roy and also doing something to commemorate Doctor Gigioli. They are two men that I have the utmost respect for and I agree that something should be done for them but I wonder what his reaction would be if there was a request to put Mr. Jim Bodden's statute somewhere that it could commemorate him, as we know a bit of the history on that?

Another point that I found interesting was that we now have an extra 25 cents per gallon increase going on diesel for shipping between Grand Cayman, Cayman Brac and Little Cayman, I hope that the First Elected Member for Cayman Brac when he votes for this again, will bear that in mind that that is directly hurting the people of Cayman Brac more than it is hurting the people of Grand Cayman.

A lot was said in relation to Mr. Franklin Smith. I believe while he was a Member of this Legislature I got to know and respect him and what the Member for Health and Social Services said, I think could be fairly easily rebutted by a paragraph of Mr. Smith's letter at the time that all of the problems arose over Cayman Airways 727-200s. He said this and this was a letter that was written and sent I think to the press as well:

"I would like to stress that I am willing to meet and hold meetings with them, (meaning Executive Council Members) as long as it is for the good of the country. I will support whatever Legislation I feel will benefit the people of these Islands. I hope that they will understand that I too should be allowed to speak and vote my conscience and that I do not wish to constantly be reprimanded and told that Executive Council Members will resign. My conscience will not allow me to be a 'yes man' for either side."

They are words that I think the Member for Health and Social Services should long remember because he took a stand that he had to take and he took it for his country. What was levelled at that former member of this House we see coming out in different ways, for example, while the Member for Health and Social Services should be protecting his staff we saw the way that we attempted to get at the Director of Social Services in this sitting of the House. Obviously she is someone, who, from time to time must have stood up to him. That is why this country is really going to be in trouble the day you have political interference with the Civil Service of this country. The way that the Member for Health and Social Services gets around the protection that is built in to the constitution for civil servants is, he creates the Health Authority where he will be directly in charge.

The Member for Communication and Works said that one of his achievements was increasing the lease for SafeHaven and perhaps the public should be reminded that in that lease the Member expects over the years to get \$100 million of stamp duty, that is, with his estimating the value of the property to be at least \$1 billion. With the increase of the lease to 99 years, all this country got was \$1 million in cash and \$1 million over 10 years.

What worries me is that this comes back to the same problem that we have had with Cayman Airways. When they get desperate for money things are sold or something is done which is totally illogical. Here you have the birthright of Caymanians basically being given away for nothing and you cannot fault the owners of SafeHaven. If the Government wants to increase the lease on the largest piece of land that Government owns, then naturally he will take it. So I do not call that an achievement. I call it the giving away of the future generations' birthright and property that now will never come back for another two or three generations.

The Member for Communication and Works talked about the Backbenchers finding alternatives for him to raise his money other than going through taxes. In the past we did look at alternative approaches to a budget but this budget is in such a mess with such a wide gap that there is no way that one can even figure out what the real amount of the country's debt is.

Quite frankly the approach has to be that the Elected Members of Government should first find the money and then they can spend that money. What cannot happen is what they are doing and especially the Member for Communication and Works, the Member for Health and Social Services. They are spending money and then they are running out trying to find it. They have got the cart before the horse.

On the Development Plan that the Member mentioned we produced that Development Plan in 1977, when we left in 1984 it was a little bit less than seven years old. It was

working well. It must have been good because they are still working under it and with all the talk that we have heard, no-one has changed it. Obviously it needs to be changed, but if we could produce it the least the two Governments coming afterwards could have done was amend it.

I would like to summarise and wind-up my debate at this stage.

This country has seen the highest inflation rate that has existed since the 1980s. We have seen inflation pushed upwards by the \$20 million of taxes that have been put on by this Government in the last 16 months. We have seen once again the salary base of the Civil Service eroded where they have only been given five per cent of a 12 to 14 per cent increase. We have heard that the Government is trying to restrict its expenditure by not increasing the Civil Service, yet the Civil Service continues to increase.

The time must come when not just lip service is paid to the theories that are put out. I am not saying reduce the Service because I am not in a position to say that but I am saying, the Government could at least stop expanding the Civil Service at this stage. We must be better off with a small, well paid Civil Service than we are with a Civil Service that is under-paid and constantly expanding every year.

In the three years that the Member for Communication and Works has been in the Government the Government has not been capable of fixing pot holes and shoulders in roads much less trying to fix the finances of the country. They have been a blaming Government - the Gulf crisis, the Civil Service, at one stage they even blamed the public, marl shortages, rain. What the country wants and expects are answers to the problems that are now surmounting this country and are tempting to strike at the very roots of society.

We heard a lot about playing politics, yet the Budget comes out with 1993 and 1994 projected estimates. That is purely a political platform for the 1992 elections.

We have seen that, notwithstanding the fact that this country is in a serious financial position, we are still hearing about the MGTP and that it should not have been stopped. We are hearing that the hospital, that we stopped, is going to go on and the country needs good medical services but we felt they could be at probably a third to a half of the price that was out there. Imagine where this country would be if we had another \$100 or \$150 million debt and where we will be if the hospital moves forward next year with another \$16 to \$20 million because I believe that the filling and the dredging of that site, reclaiming of that site is not going to be a million, I think we are looking at \$3 to \$4 million and those estimates have come to me from people who have spent time digging swamp.

What has this Government really given to the country? Drug crimes have doubled in three years, the prison population has increased. We find that the one glimmer of hope that the country had for dealing with drugs in a comprehensive way, the Drugs Advisory Council, seems to be defunct, either that or the Member is not asking for their advice or taking it. As I mentioned, unless there is a comprehensive plan to combat drugs in this country, then the Member for Health and Social Services instead of writing off a generation as he said could well be writing off a nation. We must deal with these problems and the necessary money must be put in the budget to deal with drugs.

On the question of the roads, in summary, I showed that I tried to put a half a million in the budget last year for repairs of roads in George Town. The year when we had the budget, some \$800,000 was in if that was not spent and the Government rejected the half a million that we tried to get for roads. What we find significant is that the \$250,000 spent on the Jennet L, (and if you put land and everything else together it is probably over a \$1 million), could have repaired a quarter or a third of the roads in George Town. We must never forget that George Town is suffering from bad roads more than anywhere else in the Island and we have two Elected Members for George Town sitting in Executive Council holding the purse strings of the Government.

I mentioned SafeHaven, I will not go back into that, I felt that was given away.

We have seen that taxes have been put on in areas which are going to hurt, as I mentioned, and that Cayman Brac is going to get the brunt of the diesel tax in one area. We have seen the taxes going on to companies and that the new companies being formed have decreased, I stress the new companies being formed have decreased by 20 per cent this year over last.

We have therefore seen what is happening when the Member for Communication and Works says he is getting less revenue in stamps or we are getting less revenue at the hospital. Even though they are pushing up the taxes, we are beginning to kill the goose that laid the golden egg. The time must come when a Government sits down and tries to figure out new Heads of Revenue that are not going to hurt Caymanians and they must try to restrict their spending.

We saw the Public Debt of Government go in 1984 from \$13.9 million sky-rocket to \$42.3 million estimated for next year. When this Government took up in 1988, the debt only then stood at \$25 million, they have nearly doubled it in three years. Worse than that we have seen the reserves that were left in 1984, first go up to \$18 million in 1988 when the Government took over and then trickle down to what is estimated to be \$9.5 million for this coming year.

The debt when related to the Caymanian work force of 8,995 people is some \$4,702.60 per person and the taxes are \$2,000 when worked purely on the basis of the work force.

We have seen what I call a continuing crisis budget. Deficit in 1990 of \$13.9 million and this is before they put on taxes and took money out of reserves or whatever. 1991, up to \$18 million, 1992 \$15 million. That is a crisis budget, the gap is widening.

Where has all the money gone? That was a calypso that came out after Mr. Doucet's bank failed and at the end of the four years, I believe the people of this country are going to ask this question, "Where has all the money gone?" The Budget itself is one in which the approach seems to be

that Government decides what it is going to spend and then the people must pay out the money to satisfy the Government's continuing appetite for expenditure.

The Budget I showed was incomplete because I believe that the Member for Health and Social Services is going to begin his \$16 million hospital, as he says, next year and that is going to cost a lot more than \$16 million.

I have shown that Cayman Airways has been totally left out of the Budget, yet they have a \$5 million over-draft or loan that this Government has guaranteed. We do not know what the GPA settlement will be, but I doubt if Cayman Airways has funds to pay it and I know Government is not obligated to pay it, but I believe that it could well be that in the end it comes back one way or another to Government. How much that will be \$5 or \$10 million? I guess it's anybody's guess.

We have seen therefore that the way around that is that either late this year or next year we will have supplementaries coming for the hospital and for Cayman Airways which they have now hidden.

In essence, any new Government coming in 1992 is going to have four years of a constant struggle to clean up the economic mess, the deficits, the loans, to try to cut back over expenditure in areas of Cayman Airways. I think this Government seems aimed at leaving the country in such a state that recovery over the next four years is going to be one of the most difficult and possibly there will have to be a financial miracle to deal with pulling the country out. Failing that the Government will be totally strapped for cash.

The Elected Executive Council together with the First Elected Member for Cayman Brac have mismanaged badly the Government's finances, they have mismanaged Cayman Airways and they are leaving the country in a financially depressed state that this country has never seen before.

The Member for Communication and Works asked us what are the alternatives for the Budget? We put them up in previous years. This year I can answer him with one quick sentence. In November 1992, vote out the four Elected Executive Council Members.

Thank you.

MADAM SPEAKER:

The Honourable Member for Tourism Aviation and Trade.

HON. W. NORMAN BODDEN:

Thank you, Madam Speaker. I rise to make my short contribution to the Budget Debate. I had decided that I would confine my remarks mainly to the subjects of my Portfolio, however the last speaker, the Third Elected Member for George Town raised a few items which I feel that I should respond to.

One of the first ones of course is the subject directly related to my Portfolio and that is the subject of Cayman Airways. After the Budget Address was delivered by the Honourable Financial Secretary, I heard someone remark that Cayman Airways' name was not called in the Budget Address, and I said now you really do not have to worry about that, Cayman Airways will pop up automatically in any budget or any other address in this House that is debated between now and November 1992, especially.

In dealing with the situation in Cayman Airways, every Member of this House claims to support the airline and wants to see it continue and I believe that, but there is always a wide ranging and rambling debate as to who managed it best and who is responsible for many of the problems that the airline has and sometimes this in itself adds to those problems.

I will just speak briefly at this stage on the point that the Third Elected Member for George Town made regarding the Budget being incomplete because Cayman Airways has been left out of the Budget and that Government's financial responsibility for it has not been provided for.

This Member and his argument is certainly contrary to his actions from 1978 to 1984 because Government guaranteed the 727s at a cost of \$40 million and I have never ever seen this provided for in any Budget in this country that was provided since 1978. Additionally, in March of 1982, this Government voted, not this Government but the Government of the day voted \$14 million in cash for a cash injection to be made into the airline. Not guarantees, but cash! There were loans made to the airline and I accept that these were done in the interest of the airline continuing but the point that I wish to make is that the Government of which he was a part of, made no provisions in the budget for these commitments and financial responsibilities which Government held for the airline.

Madam Speaker, up until November of 1984, the total liabilities of Cayman Airways at that time was \$40,122,853 and even with all the problems that we have had, the total liabilities of Cayman Airways and for which Government could be called upon to be responsible, does not come near that figure, not even today. I only make the point to say that you cannot preach one gospel at one stage and come back and try to give the impression that a Government is irresponsible for not doing some of the things which, they themselves did not do.

The Member also spoke about the Master Ground Transportation Plan. It is true that they stamped it a grandiose scheme and sometimes boast about scuttling this plan and this project, but nevertheless the traffic problem in this country grows worse daily and at some stage, in the not to distant future, some Government has to revive this plan and tackle the ground transportation system in this country and at a much greater cost than it was originally proposed.

They have also spoken about the proposed new hospital and its cost not being provided for in the Budget. I believe that there are provisions to fund that hospital which the Member has explained many times in the past and even recently during this meeting. I will say that I support the project because it is not only that the proper health needs must be provided for this country as early as possible and improvements must be made, but also this is a substantial support for our developing tourism business.

One of the criteria that is used in selecting the Cayman Islands as a family vacation destination is for people to be assured that there are available proper health facilities and services here.

The Third Elected Member for George Town made a fair presentation but this is one item that he raised which aggravated me, and I will deal with that more thoroughly from a different forum, but since he raised it I will mention it here and that is the letter from the Chamber of Commerce which appeared in the *Caymanian Compass* yesterday regarding their planned forum on the constitution. I hate to have to say this but there are several untruths in that letter and I will be responding to it in a reply to a letter to the editor of the *Caymanian Compass* shortly.

I support the Chamber of Commerce as an organisation. The company of which I am a major shareholder is a member in good standing and I believe that the Chamber has a function to perform in this country which is not, in my opinion, to act or to appear to believe that it is the un-elected government of this land.

There are many projects that it can concentrate its efforts on much more successfully. I have been told that I should be very careful in how I take this stand, but I would like here and now to make it abundantly clear that I am one person that will not compromise my principles to gain support or favour from anyone. I have paddled my own canoe for 56 years and I know how to do that when I need to do it, so I do not have to compromise my principles for anybody to do me any favours. I do not operate like that and that is not my style.

I did not intend to raise this matter, as I said, but since it has been raised I would like to make it clear to the public that I still maintain that there is a definite difference, a distinct difference, between my role as an Elected Member for the district of George Town and my position as the Chairman of the Select Committee for the Constitutional Review, as far as public debate about this matter is concerned.

I wonder when the Chamber speaks about the express wishes of the people - which people? Who has authorised them and where is their mandate to speak for the majority of the people of this country? I have to question that. As an Elected Member for George Town for three terms, who has kept in touch with the people of my district from all walks of life I find a lecture from the Chamber of Commerce about my responsibilities rather unpalatable when they themselves do not appear to know what their responsibility in this community is.

I think their very name, the Chamber, should indicate they represent the Chamber of Commerce, not the chamber of politics. My small dictionary at home tells me that the definition of Chamber of Commerce is - an association of merchants and business people for the regulation and promotion of business in a city or locality, It would be my advice to them that they bare this in mind.

There have been many different adjectives which have been used to describe the 1992 Budget. I will concede that 'difficult' appropriately describes it as far as I am concerned. I will admit that. It has been difficult for the Honourable Financial Secretary and his staff as they put in extremely long hours, working over the past several months to produce the detailed and comprehensive document and Address that has been presented to this House. It has also been difficult as the six Elected and Official Members of Executive Council worked along with the Financial Secretary, his staff and the respective departments of Government reviewing and revising requests and submissions made for 1992 Budget, chopping and changing programmes on projects which were impossible to meet financially, then finally giving deep and serious thought to the most reasonable means of making up any shortfall.

The process and procedure is refined each year and the Financial Secretary is to be congratulated. But the task is never easy, for each year the job of meeting the financial needs and obligations of this country becomes more difficult and this is true of this Government and will continue to be true of any other Government as well.

Finding the funds to meet the ever increasing demands of the general public for improvements and better and better service to improve and provide the infrastructure needed by a small developing country such as ours, to produce studies, yes, from experts and reports but reports that will assist the country on a long-term basis to erect buildings and construct roads; to provide education and health services needs and yes, to help the national airline too financially, for it needs our help.

These cannot be met through electioneering but through dealing with the hard facts and facing the harsh realities of doing business in the world today. Decisions have to be taken whether they are popular or not and, no, there is no magic formula. We have not found one.

Those, who today stand in this House and claim and attempt to convince the listening public that they could do so much better had they been in charge and in power; their claims in my opinion are neither substantiated nor supported by their record. Had there been such a thing as magic, you can believe they would have used it all up in 1983 and 1984 when this country admittedly was experiencing similar economic difficulties also caused by a weak United States economy.

There are those who would make you believe that they can do what the United States Government itself is finding difficulty in doing and that is to turn around the U.S. economy and to correct its impact on our own.

Those who promise what they will do when they get in control next year, well this is left to be seen because claims that they have the solutions to all our major problems can be easily made, but more difficult to prove.

Some people seem to have an over-dose of over confidence but I would caution here that the voting public should not be taken for granted and I am sure that when the time comes the people will listen carefully, read between the lines and put their good common sense in full gear as they always

have.

Promises for a new Government will not solve the problems that must continually be addressed be they popular or otherwise. Promises nor new Government can curve or prevent the economic recession or downturns in the United States economy which directly affects what happens to us here in the Cayman Islands.

The pages of history are full of would-be leaders who claim to be the saviour of their lands, but who, in reality, and when they got in a position of power, brought disaster and damnation to their people. So I trust that at election time next year, Caymanians will carefully consider what they are being told and by whom. No-one holds all the answers.

The Honourable Financial Secretary in his introductory remarks made the point and repeated once again what I have heard him, as well as his predecessors, state many times in the past and I quote from his Address:

"I must remind this Honourable House that as a small economy which is highly dependent almost exclusively on tourism and financial services, the performance of the economy is very vulnerable to fluctuations in the world market for these services, but more so, to the changing economic conditions in the United States in particular."

Again, in outlining economic prospects for 1992 to 1993 he again referred to the fact of dependance on the state of the United States economic conditions. This is not to say, nor do I endorse this, that we must not at the same time take every opportunity to continue to succeed and to capture our fair share of whatever business that is available, which I feel that this Government has taken every possible measure to do. But neither can anyone argue against this fact nor attempt to dismiss it as nonsense when none can claim to be economic wizards with the ability to change the reality of this situation if the truth is told and acknowledged.

The Financial Secretary has stated that the short-term economic out-look for the economy depends for the most part on the conditions that will prevail during 1992 to the first half of 1993 in the world economy particularly in the United States economy. He also showed the declining growth in overall employment figures, that is 1988 the 9.3 per cent, 1989 5.4 per cent and 1990 3 per cent.

It seemed to me that it was not long ago that Government was being criticised from many sectors of the community and from Members of the Backbench for moving the country forward too fast. They were asking, why is this country moving forward too fast? Now we are being criticised because it has slowed down. It seems to me that you cannot please everybody and you cannot be all things to all people, but I believe that it was Mr. Johnston who said on one occasion from the floor of this House, that the economy cannot be treated as if it were water in a faucet that you can turn it on and off at your will and fancy and today this still stands true.

I could go on and use various excerpts from the Budget Address but suffice it to say, that the Financial Secretary has put forward a factual, fair and well balanced report of the countries financial affairs.

One need not be an economist or qualified accountant to readily recognise just by glancing at the 1992 Budget that recurrent expenditure of \$107 million is taking up the bulk of the local revenue of \$114.8 million that the country is expected to generate in 1992. This is the excluding statutory expenditure of \$8.2 million.

The Financial Secretary in his usual honest and forthright fashion has frankly addressed the concern for this trend in a no-holds barred fashion throughout his address. He has very accurately identified this critical area and carefully outlined Government's goals go curve it. One of the first steps being constraints placed on growth in the Civil Service coupled with a job evaluation exercise to be undertaken early in 1992.

Quite logically and as might be expected, and acknowledged by all the last course of action of any politician, especially just prior to an election year is to resort to increased taxation but in a close and careful analysis of the overall situation for 1992, there was absolutely no alternative but to seek new revenue measures and a minimal transfer from general reserves. There was no other way by which the needs of the country in recurrent expenditure, continuing capital projects and new services could, in fact, be met in 1992 than the route that has been chosen. And yes, this is with the advice of the Honourable Financial Secretary, who, as one speaker said previously is Government's financial advisor. I may add here, one whose advice I trust, respect and value. This is nothing new, I always have.

It seems to me that some of the Backbenchers have constantly tried to apply the strategy of divide and rule. They constantly try to divide, I know they divide the Backbench, they are seven and one they say, yet, the First Elected Member for Cayman Brac and Little Cayman vote with them from time to time, but he is also wise enough to support Government when Government is right, but they divide that up.

They also attempt to separate the Elected Members of Executive Council from the Official Members of Council, at least that is when it suits them. As one Member said previously and I support, the constitution under which we presently operate tells me that both the Elected and Official Members, collectively, constitute the Government of the Cayman Islands.

When the Financial Secretary states that the Public Sector Investment Committee, which is a new and worthwhile development, was adopted by Government, and that the Manpower Demand Survey Report was adopted by Government and initial steps are being taken to implement certain sections, or that Government has placed major development emphasis on tourism, education, health, social services and road improvement and expansion works, it is this Government of four Elected Members and three

Official Members that he is speaking about. He is outlining sound and sensible decisions which have been taken either unanimously or at least by consensus in Executive Council. Plans and projects accepted and decided on by this Government as a whole, so let us not have anymore of this divide and rule tactic, I hope.

It has been a long established and widely accepted fact that tourism is one of the main pillars of our economy. This is never realised more than in a year when its performance has not been at its usual high level. Needless to say the slightest loss of market share, for whatever reason, is of serious concern to me as it must be for all who live in these Cayman Islands because all benefit in one way or another from tourism.

The year 1991 has been a very difficult one for tourism world-wide, not only in the Cayman Islands and the Caribbean. I believe it is fair and right to say that we are still fortunate under such depressed market conditions to be showing only 5 per cent down on last year, 1990, which was a record year and which stood at 21 per cent above 1989, for a total of 253,000 tourist arrivals by air and 361,000 by cruise ship. Our experience this year, however, serves to remind us just how susceptible this industry, upon which we have come to depend, is to sharp and sudden changes in market conditions, especially in the United States of America. It must serve to remind us that we must go that extra mile in order to continue to succeed in this business and in the face of mounting competition from all sides.

We have managed to survive a difficult year with minimal damage. Recovery, it is true, has been gradual but we can and we will do better in a better climate. It is well known that the United States recession continues to plague us and the speed of recovery will to a great extent determine the results here.

It is also significant to note that this year our United Kingdom and European business is up an average of 18 per cent, thus compensating to some extent for some of our loss in the United States market. Especially encouraging is increased arrivals from Italy, which so far this year has produced 613 more visitors than for the same period a year ago, that is a total of 1,112 in comparison to only 499 last year.

We have done better than most other Caribbean destinations because the Cayman Islands still hold a reputation for a high quality tourism product. We still enjoy a good image as a safe, stable and preferred vacation destination in the Caribbean. We have done well because of the ease of access to our main market, the United States, and also because there was in place an aggressive and effective marketing and advertising programme professionally implemented and strongly supported by increased sales promotion and media tours involving His Excellency the Governor, the Honourable Financial Secretary and myself plus an active Public Relations Plan prepared by Brown and Powers which was successful in attracting extensive media coverage, both in television and print, and designed to raise Cayman's visibility in the market place.

It is estimated that through this public relations activities on television, radio and print, that a combined audience of over 187 million have been reached with a message about the Cayman Islands. This included the Financial Secretary's appearance on CNBC - World Business Programme; CNN - Business Day and Travel Guide; WFLA TV - Noon News in New York of March this year; ABC TV also aired the Home Show programme which gave the Cayman Islands a seven minute segment as a model in Marine Conservation involving the shows travel editor, Peter Greenburg, in an interview with His Excellency the Governor, Mrs. Dace Ground, members of the Natural Resources Unit and Water Sports operators.

This morning show alone reaches an audience of 2.2 million and if this television time had to be paid for, it would have cost us approximately \$385,000.

Other substantial television coverage for the Cayman Islands as a vacation destination was gained during Million Dollar Month this year, when football players from eight NFL teams visited Grand Cayman and participated in our Super Fishbowl Tournament.

Aviation week this year also gave us good television coverage in Miami when participating pilots were interviewed about their trip to Cayman to participate in Aviation Week.

Coverage of Pirates Week was also carried in several magazines, the American Way, Carnival Currants, and American Eagles and all this excludes wide coverage in other consumer and trade magazines, newspapers and radio.

These are just part of the public relations advertising and marketing activities which are designed to promote and focus on the Cayman Islands as an upscale vacation destination. When I say upscale, this should not be misunderstood because it is not intended to infer that all our visitors are wealthy. We know better than that, however, all are welcome in the Cayman Islands but it is a fact that our long standing policy, and one which I found and followed quite successfully and to the good of the country, was the policy of targeting the middle to upper income bracket vacationer. This has served us well, especially in a recession plagued year such as 1991.

Furthermore, we also know that the wide variety and range of tourist accommodation we offer dictate our tourism mix. It is true that not all visitors choose or can even afford to stay at the Hyatt Hotel, which is considered to be and quite rightly, our premier property. There is also a wide range of hotels and condominiums to select from - from luxury class to first class, to good comfortable tourist accommodation. I maintain that all tourist accommodation provided in the Cayman Islands is of a good standard because the hotels Licencing Board ensures this.

Concern has been expressed by one Member in regards to pricing ourselves out of the market and I agree that this could happen and that we must guard against it but it is also true that all tourist destinations are hit by inflationary trends and the increasing costs of doing business. None can claim to be immune to this.

It is also worthwhile to note that a survey conducted some time ago has established that while we are not the cheapest vacation destination in the Caribbean, nor quite frankly

would we want to be, neither are we the most expensive. As I said earlier, it is a fact that the Cayman Islands do offer a high quality service and it is also significant to note that the highest price hotel in our country also enjoys the highest level of occupancy.

Nevertheless, as I said, there is no denying that cost is a factor. There are in fact, and this should be noted, some countries whose Government own hotels and they practically give away rooms in order to attract visitors with the expectation of receiving other benefits the tourists will make to their economies generally.

We note too that targeting a certain sector helps because tourism statistics tell us that 58% of our total visitor arrival by air are managerial and professional persons and we also know as well that 42 per cent of our business is repeat business. These, in my estimation are all good indicators.

On the local scene we have again this year, with excellent support from the private sector and specifically from Mr. Ron Kipp, of Bob Soto's Diving and Miss Alma McKenzie from the Department of Tourism conducted a successful tourism awareness week which also gained attention internationally through an article that appeared in Travel Weekly.

The objective of this programme is to create a greater awareness of tourism to our country and the role in which we play in shaping its success and I have said success simply because already we have been receiving favourable comments on the politeness of the Caymanian people who serve in a cross section of tourism related businesses. These are recent comments I refer to.

Additionally hotel inspectors continue to conduct inspections of tourist accommodation on an on-going basis and the hotels Licencing Board has been known to refuse licences and to close specific units or rooms in hotels and condominiums which do not meet the standards set in our Tourism Law and it is Government's intention to keep up the pressure because we do not intend for poorly operated properties to jeopardise the good business opportunities of other hotels and condominiums which invest in effective maintenance programmes and follow high operating practices.

Last but not least, we do not intend to allow run-down properties to tarnish the good name of the Cayman Islands in this regard.

Our national festival, Pirates Week and Million Dollar Month continue to improve each year and to attract international recognition. Our efforts will continue to be concentrated on possible improvements and new ideas.

I am grateful for the valuable contribution from people like Mr. Colin Wilson, Miss Pauline Connolly, Frank Roulstone III, and Consuelo Ebanks and others. I am very appreciative of the contribution that they all make to the success of pirates week and I sincerely trust that others from our community will join them and Mr. Mike Lockwood in helping to make Pirates Week 1992, even better and more attractive.

As I attempted to explain at question time, I have set up a committee to help with the restoration of Pedro Castle as well as to identify and develop other major and high quality tourist attractions. I will be relying very heavily on the National Trust, the National Museum, the Department of Tourism and other community minded organisations and individuals to assist with what I envisage as an on-going long-term programme of tourist attraction development.

I have much praise for the work of the National Trust and when I was recently asked what I consider to be their greatest accomplishment so far, my reply was that they have succeeded in creating a greater public awareness to preserve things Caymanian.

The reference to tourist attractions are all projects that will not only prove interesting and attractive to visitors but also entertaining and beneficial to all residents of these Islands. I have therefore placed some funds in the 1992 Budget to help start up the restoration of Pedro Castle and to make a contribution to the National Trust project for Botanical Gardens.

We can talk all we want about tourist attractions but regardless of how much we would wish to see accomplished in this area, nothing can be done without funds. The production of a Tourism Development Plan has now reached the stage where the Central Tenders Committee has approved the final short list of six tenderers and presentations are scheduled for mid-December. It is expected that the contract should be awarded in January of 1992 and I have made provisions for a re-vote of these funds.

A review of the Department of Tourism was commissioned by the Portfolio and has been completed. Phased implementation of these recommendations is planned in order to streamline the department and in the end provide a more efficient department.

We, in tourism are not asleep neither at home nor abroad. We are fortunate to have an almost brand new Director of Tourism, Mr. Rudy Selzer and the Deputy Director, Mr. Timothy Hubbel and staff, who are keenly interested in this country and the continuing success of tourism on which we all depend. They are actively pursuing those programmes which will continue to make Cayman successful in tourism which still, even today, in a difficult year remains the envy of many other tourist destinations in the Caribbean.

For the year ahead, 1992, even though we have had, because of Budget constraints to cut back on some programmes, which were originally planned by our Department of Tourism for next year, we are still looking forward to 1992 with optimism.

Presently the advanced bookings for December and January are encouraging but, as stated earlier by myself and other speakers before me, the return of consumer confidence in the U.S. economy and the availability of disposable income are critical to returning our air arrivals to the levels of 1990 or to meet the projections made by our tourism for 1992.

There are attractively priced packaged tours in the market place

for 1992. A special dive brochure has been produced and distributed, a separate generic tourism brochure has for the first time been produced for Cayman Brac and Little Cayman.

The funds placed in the budget for advertising and public relations should enable the Department of Tourism to at least maintain the same or similar levels as in 1991, after taking adjustments for inflation into consideration and the fact that 1992 is an election year when advertisers are not inclined to negotiate favourable rates.

The Department of Tourism's marketing strategy will continue to create a greater awareness with the consumer of the Cayman Islands in the North American market as the preferred vacation destination. The Department of Tourism will continue to coordinate various marketing programmes with the private sector in order to achieve maximum exposure and impact.

While the United States will continue to receive the major share of our financial resources stronger commitments will be made in the markets of the United Kingdom, Europe, Japan and Italy which show dramatic potential as already reflected in the 1991 arrival figures.

Our public relations efforts will concentrate on the development and implementation of special events which in turn will generate positive international media exposure for the Cayman Islands. Our sales activities in all of our regions will more than ever recognise the importance of sales calls to the individual travel agencies in addition to our traditional promotional efforts for the travel trade in general.

The Department of Tourism's overall predictions indicate a seven per cent increase in air arrivals in 1992. However, this forecast can only be achieved with the fullest cooperation of the private sector and sometimes I think, as the Third Elected Member for West Bay pointed out in his presentation, this leaves a lot to be desired.

This will depend on cooperation from the private sector, bearing in mind that the Cayman Island's reputation as a safe and stable destination offering a high quality product, will continue to be the major criteria of the travelling public in choosing the Cayman Islands over other resort destinations.

Mention was made about the increase in cruise ship arrivals. Admittedly, on a per head basis they do not make the contribution which could not be expected that our stay-over guests do. The Tourism Department will be more selective in approving certain cruise ship operators to use the Cayman Islands as a port of call.

I should also mention here, that we have once again made a direct approach to all cruise ship operators offering to bring down their sales staff to visit Cayman Brac to see if they will agree to include Cayman Brac as a port of call in their 1992/1993 or 1994 programmes because we have found this to be a difficulty in the past. We have experienced a chicken and egg situation but our communication to them has been - we will assist you in providing accommodation and airfares for you to visit the Brac and if you decide to include Cayman Brac in your programme, one, two or three years down the line we are confident that the business community in Cayman Brac will respond to that and provide the needed infrastructure as far as increased ground transportation and duty free stores are concerned to serve your customers. So we will continue to keep after this because I recognise this as a need and I know the Members for Cayman Brac have constantly been interested in this and I can assure them that the Department of Tourism continues to pursue this.

The cruise ship visitors do not contribute as much as our stay-over guests but it is also true that this business is very important to this country. This cruise ship business provides substantial increase business for our duty free stores, it provides increase business for our ground transportation operators, that is our taxis, our buses and also to our restaurants and has, as has been pointed out by one speaker before me, a tremendous advertising value for the Cayman Islands. I would say that the cruise ship business is welcome and very important to us and especially important in a year when our air arrivals are somewhat down.

I should also mention here that in connection with tourism for 1992, that so far we have approved a charter programme once a week from Toronto Canada to Grand Cayman. We have also approved a charter programme from Minneapolis to Grand Cayman for two tour operators and a charter programme from Boston, which should in addition to the scheduled services, provide the lift that we need. With the addition of approximately 160 more hotel rooms in 1992 it is critical that the availability of airline seats does not adversely effect the industries demands.

This now brings me to our own national airline - Cayman Airways. Madam Speaker, there has been more spoken about it in this House and written in the Hansards of this House than any other important issue facing this country. More time has been spent on this than the social needs of the country, the needs for health services or education or road works. This is fine because I think that Cayman Airways is important too and all this talk and discussion is all right just as long as if at the end of the day we all accept and agree on the need for our national airline.

As one of the most valuable tools of Cayman tourist trade, Cayman Airways needs to be encouraged and supported. The reasons for supporting Cayman Airways today are even greater than in 1968 when it was first started or in 1978 when it was restructured.

Today the necessity for Government to provide and maintain the Inter-island service is as pressing as it ever was. There have been no takers from the private sector interested in providing that service and quite frankly I do not support or expect that there should be. I feel that this Government has a responsibility to maintain that service, that is my conviction. But the need for it is ever present.

The need for Government to exercise a measure of control over its important tourism industry to ensure steady growth for which uninterrupted air services is a main ingredient. That exists more today than ever before and with all due respect to our United States airlines, no one need believe that Cayman Airways does not also serve the purpose of forcing these other airlines to offer Grand Cayman flight

schedules at prime times and to provide attractive fares.

Today Cayman Airways also has over 300 Caymanians employed who depend on Cayman Airways for a living. The consultants report recently established that Cayman Airways contributes between \$50 and \$60 million annually to our economy.

So even though that Government is called on as the sole shareholder of the airline to subsidise and support the airline financially, and I of course agree that this must be within reason, Cayman Airways provides the guaranteed air service that this country needs to protect its vital tourism industry from which the whole country benefits and prospers.

During the September meeting of this House the Study on Cayman Airways was tabled and extensively debated. I do not intend to go over any of that but as agreed the recommendations which the Portfolio has accepted have begun to be implemented.

The consultants in their report also made another recommendation which often seems to be forgotten or perhaps ignored and that was for a realistic annual operating subsidy to be provided to Cayman Airways as well as a transitional subsidy due to the unusually heavy losses experienced this year because of reasons that they identified and outlined and in order to assist the airline to become more stabilised.

This recommendation from the consultants must also be accepted in order for the airline to continue, as we all claim that we wish to see it do. It will be noted that in the 1992 Budget, we have accordingly asked to increase the annual subsidy for Cayman Airways because just the same that due to unfavourable developments in the world economies, but especially in the United States that it has been a difficult year for tourism, it has likewise been an even more difficult and financially distressing situation for Cayman Airways.

Apart from substantial losses in load factors, which made it impossible to meet its high operating cost, the major item being for aircraft lease, there were other developments over which it had no control but which certainly further served to aggravate the airline's deteriorating financial condition. In spite of management efforts to control costs and to maximise revenue earnings the airline needs Government financial support more than ever before in order for the airline to continue to serve these Islands as faithfully as it has in the past and for the same valid reasons.

The airline needs the full support of all Members of this House and there is no use saying that you support Cayman Airways but refuse to support it financially because very clearly one cannot exist without the other. This fact must be accepted, faced and acknowledged regardless of which Government or which Member holds Portfolio responsibility for Cayman Airways. The company must manage its affairs in a competent manner and I believe that this is being done but the airline has no other shareholder to turn to but Government and this should have been seen and accepted when Government decided to enter the airline business.

I must say that negotiations are continuing with Guinness Peat Aviation and it is expected that this matter will be concluded shortly. I trust, and some Members have hinted at this, and they are right, that at the appropriate time when the matter relating to Cayman Airways is brought back to committee that the airline will have the whole-hearted supported of all Members.

MADAM SPEAKER: Have you reached a point where we could suspend?

HON. W. NORMAN BODDEN: Yes, Madam Speaker.

MADAM SPEAKER: The House will be suspended for 15 minutes and I would ask Members to bear in mind 15 minutes.

HOUSE SUSPENDED AT 3:42 P.M.

HOUSE RESUMED AT 4:04 P.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed the Honourable Member for Tourism Aviation and Trade continuing the debate.

HON. W. NORMAN BODDEN: Thank you, Madam Speaker, when we took the break I was winding up my comments on Cayman Airways. I just have one other short comment and that is that I would like to point out that Government's financial assistance and the provision of guarantees for Cayman Airways is not a new development. There might have been different terminology applied or different devices used in the past but Government's financial support for the airline has always been necessary.

In my earlier comment I spoke about a guarantee being provided for Cayman Airways by Government in the amount of \$40 million and I understand that there is some question being raised by some Members of the Backbench as to the accuracy of this statement. I, would like to explain to the House the source of my information.

In note 10 of the 1984 Accounts, that is a note to the accounts that has been prepared by the External Auditors of Cayman Airways it says;

"On the 1st of December 1982, the company leased two Boeing 727-200 aircraft. The leases are for the 14 year period ending the 30th November 1996, and under certain circumstances the company has the right to seek early termination after the 1st of December 1985. Repayment of such leases

has been guaranteed by the Government of the Cayman Islands."

In 1986, on the 2nd of September in reply to a parliamentary question I gave the House the following information which was supplied to me by Cayman Airways at the time on advice from their external auditors, was my understanding.
The question was:

"Would the Honourable Member state what is the present appraised value on Cayman Airways' two Boeing 727 aircraft and the amount still owed on them?"

The answer was:

According to the Managing Director of Cayman Airways the present market value of Cayman Airways two Boeing 727 aircraft is approximately \$25 million. However, no formal appraisal has been made. The amount owing on these aircraft is US\$21.2 million.

I then went on in a statement to the House to say that this is to further clarify to this Honourable House and the people of this country the position as regards to ownership and leasing arrangement of the two Boeing 727 aircraft presently operated by Cayman Airways and how the balance shown as owing in Cayman Airways books is accounted for.

These two aircraft are owned by Lloyds International Leasing, leased by Inter-First Bank of Dallas and sub-leased by Cayman Airways on December 1982 for a period of 14 years.

According to the Auditors it is an accepted accounting practice to capitalise aircraft leases and after thorough research as to fair market value of the aircraft concerned, and consultation with Cayman Airways Board of Directors, in 1983 the company recorded the aircraft in its books as assets under capital lease at \$24 million. It is necessary to note here that lease charges payable to Inter-First Bank by Cayman Airways are treated as a mortgage for accounting purposes. All payments made are therefore divided between principal and interest.

As of June 30th 1986, the lease payments made by Cayman Airways since December 1st 1982 are accounted for as follows: contribution to principal \$2.8 million, contribution to interest \$6.1 million for a total of \$8.9 million.

In accordance with the terms of the lease agreement of the total payments of \$8.9 million, which Cayman Airways has made to Inter-First Bank of Dallas over the past four years \$2.8 million has been applied to principal. Deducting this amount of \$2.8 million from the aircraft book value of \$24 million leaves a balance outstanding as \$21.2 million as of June 30th 1986.

It must be clearly understood that at no time was \$20.5 million paid by Cayman Airways for these aircraft as the two Boeing 727 aircraft being operated by Cayman Airways are leased not purchased. Note must also be taken that the overall financial implications of Cayman Airways in the lease agreements are that the company must make to Inter-First Bank Dallas during the 14 year lease period 1) aircraft lease and interest payments - US \$36.2 million plus a balloon payment at the end of the lease period of \$5.8 million for a total of \$42 million.

This amount will overall be accounted for as \$24 million for aircraft capitalised lease and \$18 million interest payments.

I went on to say that the aircraft are being depreciated to a residual value of \$5.8 million over a period of 14 years which coincide with the equivalent amount held in escrow by Inter-First Bank which amount represents the proceeds from the sale of the BAC 111 aircraft plus accrued interest by 1996. At the end of the sub-lease period Cayman Airways has the option to a) return the aircraft to Inter-First Bank Dallas and receive the escrow funds of \$5.8 million held by the bank or b) purchase the banks rights in the aircraft for \$5.8 million and cause the aircraft to be sold to an independent third party."

to \$40 million came from this information. That was the source of my information and the reference I made

MR. TRUMAN M. BODDEN: Madam Speaker, on a Point of Order. I think there is incorrectness, I would not like to say it is misleading on that point but I think there is incorrectness on that point. I do not know whether

MADAM SPEAKER: That is not a Point of Order, Honourable Member.

HON. W. NORMAN BODDEN: Madam Speaker, I now turn to the subject of Aviation. I would

mention here that during 1991 the Civil Aviation Authority embarked on a much needed rehabilitation project at Owen Roberts International Airport which included in Phase I the resurfacing of the runway, the general aviation apron and the main apron re-sealing.

Both engineering contracts and construction contracts were awarded to local companies. I must pay tribute here also to the Public Works Department, Chief Engineer and his Deputy, for the very valuable assistance and support they provided for this project. Because of the savings realised on Phase I, it is now intended to move on to Phase II which involves the reconstruction of the main taxi way at the Terminal apron. Active consideration is also being given to the expansion of the main International Terminal Building to cope with overcrowding during peak periods, as well as development of a general aviation terminal to include improved passenger handling facilities, flight planning for general aviation services, and a national weather service.

This national weather service is seen as a joint effort between the United States National Weather Service, the Cayman Islands Government and the Cayman Islands Civil Aviation Authority. Possible extension of the runway is also being considered as explained earlier to the House during question time.

A preliminary survey has also been carried out in Little Cayman to determine the need and most suitable location for an airport facility there from an engineering and Civil Aviation point of view. This project will continue to be pursued until a proper development plan has been decided on.

A new VOR (a navigational aid) is being purchased to replace the old system and this is what the Honourable Member for Communication and Works mentioned during his debate. With the installation of a new VOR the Civil Aviation Authority will then be in a position to allow the proposed expansion on the Farmers Market and this should take place in early 1992.

High-Tech meteorological equipment has been purchased to assist with the reception of required data. Staff training has been conducted in all areas, that is in air traffic control and meteorology and an International Civil Aviation Organisation (ICAO) expert from Canada conducted a course in Aviation Security which was attended by the police, the immigration, customs, Flowers Airport Dispatch Services' employees, airline employees and airport security staff.

There have been official visits from the Aviation Inspectors of the United Kingdom Civil Aviation Authority; Air Traffic Service's Inspectors from the International Civil Aviation Organisation and Security Inspectors from the United States Federal Aviation Administration have conducted inspections to ensure operational confirmation to an international standard.

At the risk of sounding boastful, Madam Speaker, not for myself but for the Civil Aviation Department, the reports from all of these international organisations have all been complimentary and the Cayman Islands can be considered to be a leader in providing high quality aviation services.

The projects I have outlined will continue as on-going projects well into 1992 to completion.

I would like now to turn to the Fire Department. The Fire Department continues to fill its vital role to the entire community of the Cayman Islands and the travelling public. On-going training programmes and refresher courses and up-grading of equipment have been conducted to ensure performance at the highest possible level.

The apprenticeship system continues to provide a good training ground for future recruits. I may mention that the Civil Aviation Authority also has in place a similar apprenticeship system. The Department provides valuable assistance to Hotel Inspectors as well as conducts regular inspections of all buildings to which the public have access, taking or making recommendations which will ensure that they are safe for occupancy.

The Fire Department also conducts full investigations into the cause of fires so that prevention measures can be implemented where possible. This is another active Department that is well managed by a Chief Fire Officer and a competent staff and figures most prominently in our tourism development.

The Department of Labour. The Labour Office continues to assist with the settling of labour disputes and while few cases are referred to the Appeals Tribunal, I am pleased that Mrs. Karen Thompson and Mrs. Jackie Conolly-Smellie, two young Caymanian attorneys have agreed to serve on the Tribunal as Chairman and Deputy Chairman respectively.

Two additional Labour Inspectors have been recruited and the Director and his staff, in my opinion do a good job in resolving many labour related problems in an amicable and peaceful fashion. They also assist with recruitment and the system of registration and placement provides a valuable service both to employers in this country as well as to job seekers and it is done free of cost.

Now some Members have commented on the unemployment situation and I would not say that today that this does not exist to some small degree, comparatively speaking, and I suppose in light of the economic situation, it is bound to be expected. However, the only indicator I have as a guide is the monthly report received from the Director of Labour. It is true that some people may not bother to register and are therefore unaccounted for in these reports. On the other hand, it is true that once a person who has registered has actually found a job that they seldom report back to the Labour Office, so the information cannot be considered, I accept, as totally accurate. As I said, it can serve as a guide to the labour situation here.

In any event, the latest report from the Labour Office indicates that there were a total of 80 persons registered as unemployed covering 27 different categories and that there were a total of 45 job vacancies registered with the office. Of course, needless to say, these do not always match or coincide and it has to be acknowledged that unfortunately some who are registered are, in fact, unemployables.

I, of course agree totally that Caymanians must rightfully be given first preference to fill any job in this country for which they are qualified, willing and able to fill. The system on which we have to rely is that the Caymanian Protection Board must be satisfied first of all before approving applications for Work Permits that every effort has been made by the employer to recruit locally.

No one can claim that any system is fool proof, regardless of how expertly designed. But I believe that the Board does a fair job in this regard when one considers the limited manpower they have available for research and enforcement.

Constant contact is also made between the Labour Office and the Caymanian Protection Board through weekly reports which are made by the Director of Labour to the Chairman of the Caymanian Protection Board, listing the names of Caymanians seeking jobs in specific categories. This is not a new procedure but has been in place for well over a year now. If these systems are properly applied and followed it is bound to reduce substantially those instances where imported workers are filling positions which could be filled by qualified and experienced Caymanians.

Additionally, we must rely on the Immigration Department to seek out and deport those persons who are working here illegally and possibly filling some positions that could, in fact, be filled by Caymanians. I realise that from time to time difficult situations can arise which attract sympathy but in all fairness those who work in these Islands should be here legally, especially when some of our own people, and I am referring here to those who are willing to work are claiming to be without jobs regardless of how small the number might be.

Having said this, it has to be acknowledged that there are certain types of jobs which some of our own people are not inclined to take. Furthermore, in our labour market today we need to get back to basics and I believe, as the First Elected Member for Bodden Town said in his debate, instill in our people that it is not subservient to serve and also to instill in them, I say, to take pride in a job well done like the way it was in the Cayman Islands before we had over-employment in this country.

Finally, I have to state a fact which I believe that all Members agree on, and that is that as a country whose economy is almost totally dependent on the production of high quality services performed at recognised international standards and levels in order for the Cayman Islands to compete successfully in the business of finance and tourism we will need to depend on imported labour to fill those positions which Caymanians are definitely not qualified or equipped to fill. I think in our countries own interest we do recognise and accept this fact of the matter.

I wish to make two further points which were raised by one Member who spoke earlier. It was claimed by that Member that the Director of Labour does not receive my full support. I take it that it was meant in the context of my not helping to ensure that the systems I have referred to are being followed. Let me say that I refute this claim, this is certainly not the case and the Director and any of his staff can truthfully testify that they have access to my office and that they receive my full backing and support in dealing with labour related problems.

The other point was that it was charged that Filipinos are being employed for less pay than Caymanians would work for and thereby displacing Caymanians who would do the same job. I have had this claim investigated and have been assured that this is not the case. I should point out that the Labour Law makes provisions for all who are employed here in these Cayman Islands regardless of nationality.

In conclusion, I would like to say that both sides of this House during this debate have charged each other with playing politics and realising the time and place this House has reached, this could very well be the case. But regardless of that and the choice that will be made at the polls in 1992, there will always be problems to be solved and difficult decisions to be made, the results of which will not always be politically popular and this cannot be achieved by playing politics. It can only be achieved by hard work but as long as these matters are approached in an honest and fair fashion, free from corruption or favoritism, the people of this country will be well served and the future stability of the Cayman Islands protected, preserved and guaranteed.

Madam Speaker, I would like to say in conclusion that the Budget Address, as presented by the Honourable Financial Secretary, is fair and well balanced. I offer to him my sincere congratulations and I think he delivered a fine Address to this country and together we have produced a good Budget for 1992 and before I take my seat let me formally say that I support the Appropriation (1992) Bill, 1991.

Thank you, Madam Speaker.

MOMENT OF INTERRUPTION SUSPENSION OF STANDING ORDER 10(2)

MADAM SPEAKER: Yesterday the suspension of Standing Orders was sought to continue until 5:30. I thought it was the understanding that this would be the same procedure for today and Friday, as well. Perhaps in the best interest of the recording the Honourable First Official Member might move a Standing Order to see if Members still continue to have that same wish?

HON. THOMAS C. JEFFERSON: Madam Speaker, in accordance with Standing Order 83 I move the suspension of Standing Order 10(2) to allow debate to continue until 5:30 P.M. as agreed.

QUESTION PUT: AYES AND NOES

AGREED BY MAJORITY: STANDING ORDER 10(2) SUSPENDED TO ENABLE THE HOUSE TO SIT

UNTIL 5:30 P.M.

MADAM SPEAKER:

Would a Member please continue the debate on the Budget Address. (PAUSE) I believe the ayes were in the majority and one would assume that there is a Member who is ready to continue the debate on the Budget Address. Failing that I would have to ask the Honourable First Official Member to close the debate.

The First Elected Member for Cayman Brac and Little Cayman.

CAPT. MABRY S. KIRKCONNELL:

Thank you, Madam Speaker. I would like to begin by saying I really was not prepared to speak this afternoon due to my health. My throat is giving me a problem, but I realise this is a very important opportunity to offer my contribution to a speech as important as the Budget Address.

Firstly, I would like to congratulate the Honourable First Official Member the Financial Secretary for the able way in which he delivered this Address and for its contents. I have carefully read and re-read this Address and I realise, like some of the previous speakers have said, that we have not been spared from a recession which is global. I am concerned it appears as if the United States of America may be experiencing continued recession, a double dip recession as it is sometimes called, which could cause even greater concern for us here in this small country.

Nevertheless, life must go on and we must make the very best of things as they are. We have been very fortunate over the last several decades to have had economic prosperity. We have seen our Budgets grow. Much has been said by previous speakers of how recurrent expenses have grown but that shows economic growth. I have always in my own affairs tried to cut my garments according to the cloth that I had to use, and I realise that has to be the case with Governmental expenditure.

But, Madam Speaker, as a Government we are called upon and I hasten before I am criticised for speaking for Government but I am speaking here as a Backbencher clearly on the other side but one who supports Government when I feel their moves are in the best interest of the future of this country and that decision is my decision when I support or do not support.

Madam Speaker, we have a responsibility to educate our young people, we must supply the needs for health, and we must keep them safe. Therefore, we must have the necessary expenditure to provide the country's needs.

I fully support the Civil Service. I realise it is a large organisation but people with far more experience than I have decide who is necessary and for which department. As they create new posts, if they are in the best interests of this country I have voted to support them.

It is a very easy thing to criticise the person in authority, the person who is forced to make a decision. I as a ship's Captain have had to make many decisions that were very unpopular with my crew and probably if I had been a sailor I probably not have agreed with the decisions either. Since the ultimate decision was mine I had to make it not only what I wanted but what was best for the safety and the benefit of others concerned.

Responsibility is just what it says. If you have something to do, you must do it to the best of your ability and for the good of all concerned. The Honourable Financial Secretary said in his Address and I would like to read a paragraph or two from it. He said:

"In presenting this Budget Address, I must remind this Honourable House that as a small economy which is highly dependent almost exclusively on tourism and financial services, the performance of the economy is very vulnerable to fluctuations in the world market for these services, but more so, to the changing economic conditions in the United States in particular.

The major developments that occurred in the world economy over the last six months of last year to the first three or four months of this year, and from which the Cayman economy did not escape entirely unscathed was the recession set off by the Gulf Crisis. As a result of that development real growth in the world economy fell sharply; and as a consequence, international banking activity (of which the Cayman Islands are an integral part) also slowed."

Madam Speaker, as I tried to say earlier, we are very closely tied to the United States economy. The largest percentage of our tourist come from the United States. Most of our food and other supplies come from the United States, so if their economy is affected so also will our economy be effected.

I fear that we have not reached the bottom of the downturn of the economy of the United States and therefore as we approach this Budget we must do so with extreme caution. We have been very fortunate because of our smallness and that we still have a sense of pride and though we do not have a homeless population, of living on the streets we do have people who are not living to the standard that they would like to live. It is because of this why we, as Legislators, must consider those that are less fortunate.

We are to be congratulated I think. The standard of education that has been provided within the Cayman Islands is today bearing fruits. We have persons qualified, after having completed tertiary education, returning to these Islands who are now able to take their rightful place and become integral parts of our developing force.

Had we, the older people not thought to keep the Cayman Islands afloat this would not be possible today. Therefore, it is the responsibility of this Government, the Government of the day, to make expenditure that will suffice the needs of the community.

Much has been said about the large tax packages that have been put on since this Government came to power in 1988. I, like everyone else, have felt the effects of these increases in taxation but I have also felt the benefits and I think in my more senior years appreciated that the opportunities have been made available that the Cayman Islands will be a better place to live. We cannot bury our head in the sand and say because the United States is in a recession that we are going to forget about what goes on in the Cayman Islands, we are going to stop our expenditure and wait until the economy takes an upturn. That is not possible, Madam Speaker.

Our education must go on. Our forefathers saw the need for education and education has been compulsory within the Cayman Islands for many decades. Therefore, it is our responsibility, as sitting Members of this Legislature, to vote sufficient funds to carry on the education programme, to build schools, to hire the proper number of teachers that are necessary, to put the Education Review in place and to move forward into the year 2,000 with a fully invigorated education system.

We have been fortunate because of our tropical climate and our good health standards that life expectancy here in the Cayman Islands has increased immensely and it is our responsibility that we make the necessary expenditures to provide proper health care.

I have supported the building of a new hospital. I think we do not need it for the sense that we have a beautiful building, what we need is a functional hospital and it does not take a medical or a health care professional to go to our present hospital and realise that the staff there is doing a marvellous job with the handicaps which they have in an institution which has been adapted to suit the needs of this country for decades.

I compliment all who are involved in health care within the Cayman Islands for the standard of health care that we have, but it is our responsibility to provide a better facility in which these services can be performed.

I have looked with keen interest as the plan for the new hospital has developed. I think the design of that hospital is an excellent one. When it is completed and functional it is something that regardless of how we felt in the beginning every Caymanian and visitor or resident in Cayman will be proud of.

Much has been said about health care. I would like to say because we are an Island some distance from any support services we should create our own trauma centre right here in Grand Cayman. We cannot always look to the Cleveland Clinic or Oshners Clinic, Mayo, John Hopkins or any of the other great clinics for trauma treatment. We need a trauma centre right here in George Town so that when we air ambulance our patients out of the Island, of here, they have gone through their trauma treatment and we know exactly where they are to be dispatched to, whether they have head injuries, heart problem etc. They will go to the hospital which is best equipped to suit their needs.

A trauma centre is your primary facility in which we diagnose the condition of each patient and necessary care needed to preserve life. Nothing is cheap, Madam Speaker. Health care is one of the most important things for a human being, therefore, we cannot look at what it is going to cost to build a hospital. If we have proper up-to-date modern medical facilities and a proper Health Care Authority, we will have the infrastructure that will help our tourism industry continue to grow. It will help our retirees to come here with more confidence than they have come in the past. No one wants to come down from the United States with the understanding, "Oh no problem, if you get sick we can air ambulance you back to the United States." That is really not any comfort at all, so it is necessary that we realise the importance that proper health care facilities will be to this country.

I started out my early life believing that I was going to make a career in medicine, therefore, I do have some idea of what is necessary, a limited knowledge, but because of this I, support what is being done. We must realise that our medical facilities, as it has been in the past with our past medical system, we have subsidised expenditures somewhere between 90 and 95 per cent. We talk about reducing our expenditures. There is a way we can reduce it by at least getting our medical costs through national health insurance or from our visitors who have insurance in place in their home countries, we can at least collect our actual cost. There is no reason why you and living in the Cayman Islands should be subsidising people who have health care insurance that would pay \$500 or \$600 per day for their hospital by charging them \$50 to \$100 as we did in years past. So because we did not do it in the past does not mean that it is wrong to be doing it in 1991.

Therefore, Madam Speaker, I think that we need to take a different approach. As we move into the year 1992, let us attempt to provide the necessities for the people of these Islands lets defray the cost where we can by letting people who use our facilities pay for them.

I have seen on many occasions people in these Islands, particularly in Cayman Brac (where the people built most of the hospital or contributed to its construction) with health care insurance that would have paid up to \$500 a day but the maximum that could be collected in those earlier days was \$25. They could not make a donation to the hospital because they had paid the premium to the insurance company and therefore they were paying for their health care but it was the insurance company that was benefiting.

I am may be straying a bit, but I am saying this to justify the need for proper facilities and the need for proper rates and fees to be collected in order that we can pay for this service.

Moving on now to the Management Services. I would like to say that I was very encouraged having read the report that was given to us by the consultant who made that review. I think it has been a bold step by Government, one that is very necessary, one that I think will certainly pay for itself and will be of great benefit to the individuals who will be evaluated. If a person does not have a goal to work towards, he tends to be a bit lax I think everyone who is now subject to the Management group and who is being

checked by them will certainly give of his very best.

I am also, glad that we are seeing an introduction of other sources of revenue being introduced. I looked at Planning. For several years I have been involved with the Development Control Board and with the Central Planning Authority and I realise that they are important departments and have done much to help develop this country but the fees have really not compensated for the work that was being done.

There has been criticism in this Honourable House as to the increases but I really think they are unjustified. We have had some very small houses and the fee is very small since it is on a square foot basis but nothing in this country has given more problems than fences and signs and therefore because of the problems that they give, I think we must have remunerations for the services rendered.

The Planning Department is protects this country and you do not want the area in which you live destroyed, therefore, they have to have parameters within the Law that they can go by. The Regulations of the Development and Planning Law under which they function. The Planning Department often makes suggestions to developers that make their development more suited to this country. The developer is quite happy because he is dealing with professionals and he is willing to pay the fee, but if that professional whom we are paying is just giving his professional time free of charge we are the losers.

Madam Speaker, my throat is giving me an awful hard time but I shall continue to 5:30.

We are a country of three islands, I, as all Members know am one of the representatives of the Third Electoral District of Cayman Brac and Little Cayman. We have been very fortunate in getting our infrastructure put in place. Governments within the last 15 years have been generous to those Islands and we are very grateful for that. Much still remains to be done.

I would like to explain to this Honourable House and to the listening public that it has been said by one Member that as a favour to me, approximately 53% of the money voted for roads will go for road construction in Cayman Brac and Little Cayman. I am very grateful that that amount will be going there, but I would like to explain the reason, Madam Speaker.

It is not any favour to me. The reason for that is the fact that that is a major expenditure that Government will be making in Cayman Brac and Little Cayman during the year 1992 other than recurrent expenses. We have a very slow private sector, very few people there employ individuals. We look to the Public Works Department to employ on a daily basis their group employees and if there are no road projects or some construction projects to be done, then these folks are unemployed.

After a few weeks of unemployment they are forced to consider moving to Grand Cayman. They come to Grand Cayman, and I have heard Honourable Members here say that you are now facing some unemployment here, so that would only tend to further decrease the number of jobs available here in Cayman. So it is essential that we keep our people at home. Shortly after they are here their families follow them, our school population reduces and a vicious cycle starts where our population decreases and Cayman Brac and Little Cayman once again will be on a downward trend.

I think that I am safe in saying that the Second Elected Member for Cayman Brac certainly would support me in saying that that is the one thing that we do not want to happen, is that we have a reduction in our population again. We want to try to keep as many people employed on Cayman Brac as is humanly possible in order that the population does not decrease because if the young people leave, the old people sooner or later will pass away and Cayman Brac will become very much a ghost colony.

Therefore, Madam Speaker, I would ask Honourable Members to look in the Budget. They will see that much of what was asked for in the Estimates for 1992, is in the column as proposed for 1993, and they know what that means as well as I do. It is not going to be spent.

Therefore, Madam Speaker, I am very thankful to the Government for what we have and what we are going to get. I would just ask the Government again, as I did in the Budget last year, that they attempt to provide sufficient money to keep the labour force of Cayman Brac employed, I know Treasury has a limit, and there are constraints within our finances, but I am asking that we get money for road construction because this generally can help to employ and is a most needed factor in the two Islands.

We have seen an improvement in the standard of our education in Cayman Brac. We look forward to the Education Review coming into operation. We feel that after that is implemented, there possibly, will be need for an infant school and some construction then, but that certainly will be years down the road and that will be no immediate relief.

I am very grateful that the long awaited improvement to the channel, which the Honourable Member for Communication and Works told this House about a few days ago, will soon become a reality. Madam Speaker, that is very necessary. It may sound like a fairly large sum of money, but from that, Public Works will get a certain amount of fill and it will also provide a safe harbour for the larger locally owned yachts that come up to Cayman Brac during the Million Dollar Month. I think it will help the economy there and help to make us a little closer together, help to unify the two Islands and I think the money will be well spent.

We have also, during the past year, been able to get road improvements in Little Cayman and we are grateful for that. We have also seen during this Session of the House the tabling of a Review Committee Report for Little Cayman. This, I think is going to be quite advantageous to the prospective developer of Little Cayman. I have talked to some of the larger land owners there both native and foreigners and they are very happy with it.

They have always had to wonder how many feet from the beach could they build, could they do this or do that. In that book is pretty well defined what we would like to see them do and therefore, I think you will see Little Cayman develop in to a third interest point for tourism within the Cayman Islands.

We are fortunate in this three island group, Grand Cayman being the most developed Island of course, a sort of a Miami beach situation. We then have the mediocre development of Cayman Brac and we have Little Cayman, which is in almost its native state with bird watching and that type of more primitive development. But I say that with respect because there are certain travellers who go to that type of destination, that is the destination of their choice and because Little Cayman will be retained as much as possible in keeping with that in mind, I think it will generate the type of tourist that we have not been able to get to come to these islands in the past. It will be beneficial to the revenue of this country.

We are looking forward to development on Little Cayman. A small hotel arrangement is being built there. I think the first phase of it will be approximately 30 rooms, we are also looking at condominiums which are now being built in Cayman Brac and will give additional rooms there. Hopefully, the third hotel will continue to be remodelled and refurbished which will provide additional hotel accommodations and will no doubt help to fill the seats on Cayman Airways. With more people going in and out of the islands it will enable us to get better scheduling and better hours.

Madam Speaker, conditions in Cayman Brac and Little Cayman are far different from those in Grand Cayman. If there is nothing going on in East End, the men simply have to go to another district to seek employment and they can go home at night. In Cayman Brac and Little Cayman, if there is not any work they have to go far a field and they tend, as I said, to move on a permanent basis.

Although Cayman Brac, is very small, Government has spent a lot of money there, and continues to spend. I think it has some of the best infrastructure of any small territory with a population of its size. We are quite proud of its medical facilities and the Honourable Member for Health and Social Services has promised an addition to the Faith Hospital. This will provide additional bed space and most of all it will remodel the present facilities to give that facility a better floor plan.

As I have said on the floor of this House before, we could possibly do without the beds if it had not been that our Hospital was built on the American plan. It was started by the people, helped by Government to completion, therefore, it was not built as an out-patient/in-patient facility. It was built simply to be an in-patient facility. With having to provide out-patient facilities the private rooms had to be taken for consultation rooms, nurses stations and pharmacy and what have you. So the real floor design of it is really not conducive to good medical care and that is the reason that it needs to be refurbished. That cannot be done until new rooms are built so that the whole thing can be completely redesigned.

Also with the help of Government we will have a rest-home which will have a capacity for 10 to 12 indigent or older people. Hopefully that will be finished in the first quarter of 1992. It is being built with a loan from Government and the help of many people and we are very grateful for all the many donations we are receiving from the financial institutions here in Grand Cayman and from the public in general. The response has been terrific and we are very grateful for that and we are certainly hoping that within the next few months it can be a reality because the need is ever present. It is a 64 by 84 building, it will be all concrete block and all the fire precautions are being incorporated so that it is going to be as modern as we can afford to make it.

This will be staffed in conjunction with the Faith Hospital. We will use some of their staff for speciality treatment but the other staff will be hired by the Association. Hopefully those people that cannot pay the full amount, (and we are hoping to keep that at the very minimum), will be helped by Social Services. We are hoping it will be run so that we will be able to bring in the elderly people on a day care basis with proper transportation, hydraulic lifts etc., so that they will not be injured while bringing them in and out of the van. They will be brought in the mornings, spend the day, and then taken back home at night to their relatives. We have great expectations and we hope that they can be realised.

We have heard very discouraging words spoken in this House about the possible effects the large increase on diesel fuel, which has been imposed by Government, will have. I realise, like everyone else, it is going to make diesel costs more but fortunately for us it has come at a time when the OPEC nations have just agreed that they will not cut production and if they do not cut production, world prices will not go up, so we will not be faced with an increase in the immediate future. Russia or the Eastern Block has agreed it is not going to reduce its exports at this time so, that too, should keep the price of fuel down on a world market.

For Cayman Brac, with hopefully the opening of the Texaco Bulk Terminal, in March or April of next year, should cause a reduction in the retail cost of diesel and gasoline on Cayman Brac. That should more than offset the amount that has been increased by Government because in Cayman Brac we have had to pay not only for the cost of the fuel to be freighted to Cayman Brac but also the empty tanks coming back to Grand Cayman.

Hopefully that will not affect us that much and the ships that bring our goods most of them trade foreign and ships trading foreign do not have to pay duty on diesel fuel that they buy in the Cayman Islands. They are excluded from paying duty provided they go foreign and that is true also in other ports of the world. An exclusion is granted for foreign traders. So that should not affect the freight rates on cargo to any great extent.

There are other taxes in the revenue measures that will affect us but as I have just said, we look to Government to provide employment for our people and if we want to have employment for our people, we must be willing to pay our fair share of the revenue measures which are imposed by Government to get that revenue in order.

I support the increase that has been given to civil servants. It is regrettable that we could not give more, but I know they are an understanding group of individuals and Government has done the best it can at this particular time.

With regard to the development in Cayman Brac, it is only now that the private sector is becoming somewhat active. It is my hope that as time goes on we will not have to depend as heavily on Government as we have in the past for I realise that it has been a burden but we appreciate the fact that this Legislature has over the years voted the necessary funds to provide the infrastructure to the standard that we now have.

We do feel that within the not too distant future there will be a need to expand the Government Administration Building to some extent but that, I think again, was moved over to the column for 1993. As I said, we all know what that means.

Moving now away from District Administration to the Public Sector Investment Committee (PSIC). This committee I have great praise for. I think it is doing a good job with its expertise: will be able to make a lot of difference and I quote from the Honourable Financial Secretary's speech. He said:

"The PSIC we developed and which was adopted by Government last year was put into action in March this year. The goal of the PSIC is to improve the capital investment planning and programming process, particularly in the Government's main capital investments priority areas of education, health, roads, and agriculture. The primary mission of the PSIC, therefore, is to advise Government on the quality of the capital projects proposed for investment in these sectors, and to assist Government in the operation and maintenance of the quality of these investments."

This, I think is something that we have long needed. I think, now that we have people of the caliber that we have, that can give us that kind of expertise and make these kinds of calculations it will be highly beneficial.

We see what is happening with agriculture. I think the Agricultural Development Plan, once is properly thought out, is going to be of terrific benefit. I see results already in Cayman Brac. As you are all well aware, there is very little land in Cayman Brac that is good for agriculture. We have very rocky soil and therefore you cannot farm with machinery. It has to be done more or less by hand, but we are seeing it being approached professionally for the first time since I have been around.

I am very grateful that the Member for Communication and Works has included Cayman Brac and Little Cayman in this Agricultural Plan. The Agronomist and others have visited there with Doctor Benjamin on several occasions. They have the confidence and the support of all the local farmers and I look forward to improved conditions for our farmers. They had become very discouraged as they felt that they were not even a part of the Cayman Islands but today they are talking differently, they can get the necessary advice and are also looking forward to an improved irrigation system and also roads to get into their farms. Whether they be foot-paths or vehicular roads will depend on the terrain and what type of farming they are doing. But I see that it is being approached in a professional manner and I feel that it is going to bring agriculture to the forefront. I believe that there is great potential for agriculture here in Cayman.

Grand Cayman is a small island, so its efforts are going to be limited; but I do believe that if the local people buy Caymanian, as we are all trying to encourage people to do, agriculture can help us to diversify our economy and it will be well worth the expenditure that Government is making in that area.

The improving of the strains of cattle and also the types of plants for the first time are being introduced into Cayman Brac and that I feel will help in many ways.

Before I leave agriculture I would like to say that the necessity for slaughtering facilities for animals need to be looked at very seriously in Cayman Brac. We do not need a large spot, but we do need something that would be more hygienic and I would ask the Honourable Member if he could give that some type of priority because it is rather inhumane and unsightly to people who have not been exposed to the way it is done.

In the expansion of the Farmers Market, I am wondering if it will really be like a market or is it going to be an addition similar to what they now have. I feel that we need larger areas for the farmers to display and sell their products but I am not quite sure that the present architecture is a fitting one for a market and I would like to see some improvement there.

I would like to touch very briefly on the summer intern programme that the Honourable Financial Secretary spoke of on page 17 of his Address. He said:

"When the Labour Market Information System and other components of a manpower training program (such as apprenticeship and vocational training) strongly recommended in the Report represent long-term approaches, one essential short-term approach which compliments the Report, arises from the observed growth in the need for a formal Summer Internship Training Program designed to identify and provide meaningful on-the-job training experience for Caymanian college and university students who return to the Islands in May each year to seek summer employment.

As presently envisaged, the Summer Internship Training Program (SITP) should have two features of quality. The first is that the program should be designed to provide meaningful and substantively practical labour market working experience and practical knowledge to both intern and employer. The summer intern should not be placed in an employment situation which merely involves running errands like picking up and delivering mail, or any other routine duty of similar nature. Rather it should be an internship employment situation which imparts quality labour market experience that

will be of permanent benefit to the intern, and probably to the same employer. The second feature of the SITP is that it must be interactive. This means that it should be developed and implemented in consultation with the college or the university of which the intern is a student. This feature ought not to pose any serious difficulty to the success of the programme, since most overseas colleges and universities that Caymanian students attend, have summer internship arrangements with industry for their American, or Canadian students."

I think that this will be very helpful, I knew of this type of programme way back when I was at college and university and I think it is going to be a great help because it means you do not have to look for a job, you know where you are going when you are out of school, you can choose employment with a company which is in line with your major. This gives you an idea very quickly, from your freshman year, whether that is really the profession you want to pursue. Sometimes a student is not quite sure of his major but by getting some practical experience he will decide very quickly and not wait until he has a degree, only to find out that that is really not where he wanted to spend the rest of his life.

I think it is going to be a great advantage Caymanians because when they come home they will know exactly where they are going, whether it is going to be with Government or the private sector. I am not quite sure how that will work but it will certainly be advantageous to the student as he returns home.

MADAM SPEAKER:
motion?

It is now 5:30 Honourable Member, may I take the adjournment

ADJOURNMENT

HON. THOMAS C. JEFFERSON:
House until 10 o'clock tomorrow morning.

Madam Speaker, I move the adjournment of this Honourable

MADAM SPEAKER: The question before this House is that the House do now adjourn until 10 o'clock tomorrow morning. I shall put the question.

AYES & NOES

MADAM SPEAKER:

The ayes have it. The House is accordingly adjourned.

AT 5:30 P.M., THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., FRIDAY, 29TH NOVEMBER, 1991.

**FRIDAY,
29TH NOVEMBER, 1991
10:02 A.M.**

MADAM SPEAKER:
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 II, 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 Speaker of the Legislative Assembly, 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.

Let us say the Lord's prayer together:

Our Father who art in Heaven, Hallowed be Thy Name, Thy Kingdom come, Thy will be done 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.

APOLOGIES

THE SPEAKER:

Please be seated. Proceedings are resumed.

I have received an apology from the First Elected Member for Bodden Town who will be absent from this morning sitting. He has had a prior appointment with CUC staff members concerning demarcation of street lights in Bodden Town.

The next order for the day is Presentation of Papers and Reports - Financial Statements of the Civil Aviation Authority of the Cayman Islands for the year ended 31st December, 1990, by the Honourable Elected Member for Tourism Aviation and Trade.

PRESENTATION OF PAPERS AND OF REPORTS

**FINANCIAL STATEMENTS OF THE CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS
FOR THE YEAR ENDED 31ST DECEMBER, 1990**

HON. W. NORMAN BODDEN:

Madam Speaker, I beg to lay on the table of this Honourable House the Audited Financial Statements and Annual Report of the Civil Aviation Authority for the year 1990.

THE SPEAKER:

So ordered.

HON. W. NORMAN BODDEN:

Madam Speaker, for the year ending 1990, the Civil Aviation Authority has, as required by law, been able to meet its current debt obligations and other operating expenses and ended the year with a net income of \$621,279. This combined with the General Reserve of \$973,916 brought forward from the previous year, that is 1989, has made it possible for the Authority to pay Government a dividend of \$500,000 as well as to transfer to a reserve account for the Owen Roberts Runway Rehabilitation Project a sum of \$500,000, leaving a balance on hand of \$595,195 at the end of 1990.

The Civil Aviation Authority has undertaken a major rehabilitation project at Owen Roberts International Airport at an estimated cost of \$5,497,000. 80 per cent of which is being funded by a loan from CDB and the balance will come from the Authorities own resources. The project is progressing well in spite of a late start but it is expected that the resurfacing of the runway itself, will be completed by December 15, on time for the start of the 1991/92 tourist season.

The Airports in the Cayman Islands continue to be professionally operated through the Civil Aviation Authority and the combined efforts of a competent Director of Civil Aviation and his capable staff. On-going programmes for physical and technical improvements insures that Civil Aviation in our country is maintained at the highest possible standards.

Thank you, Madam Speaker.

THE SPEAKER:

Thank you.

Questions to Honourable Members, deferred question No. 262
Standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTIONS TO HONOURABLE MEMBERS

DEFERRED QUESTIONS

THE FIRST ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS, WORKS AND AGRICULTURE

No: 262: Would the Honourable Member state revenue collected from private surveys carried out in Cayman Brac during 1989, 1990 and to date in 1991 and the same information for Little Cayman?

Answer: Surveys made in Cayman Brac and Little Cayman by the Government surveyor for members of the public during 1989, 1990 and 1991 generated the charges, costs and net revenue tabulated below:

	1989	1990	1991 (to 12 Oct)
CAYMAN BRAC:			
No. of surveys	26	32	21
Charges	35,622.60	33,479.60	20,767.49
Costs	37,812.55	35,067.52	24,080.13
Net Revenue	(2,189.95)	(1,587.92)	(3,312.64)
	=====	=====	=====
LITTLE CAYMAN:			
No. of surveys	3	9	8
* Charges	2,654.40	9,184.80	11,437.01
* Costs	2,699.75	11,664.56	11,466.68
Net Revenue	(45.35)	(2,479.76)	(29.67)
	=====	=====	=====
* Excluding accommodation and airfares.			

SUPPLEMENTARIES

THE SPEAKER: The First Elected Member for Cayman Brac and Little Cayman.

CAPT. MABRY S. KIRKCONNELL: Thank you, Madam Speaker. I wonder if the Honourable Member could give us some idea how these costs are arrived at? Is it the salary of the surveyors, the cost of the Lands and Survey here in Grand Cayman? Or exactly where do we arrive at these high figures?

HON. LINFORD A. PIERSON: Madam Speaker, the Government costs are calculated at twice the early earnings of the personnel involved for the time spent. This is to allow for overhead such as leave, office space and equipment. To this is added mileage and the cost of survey marks.

THE SPEAKER: The Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I wonder if the Member could state how many individual jobs does this cover and the various areas of the Islands involved?

HON. LINFORD A. PIERSON: Madam Speaker, other than the information already provided in the substantive answer, I wonder if the Honourable Member could state specifically what other information he is requiring at this point because I have stated here the number of surveys, the charges involved and the cost associated with those surveys.

MR. JOHN B. McLEAN: Madam Speaker, I am asking for the individual jobs mainly. What I am trying to find out is there are different names to different parts of the Islands. Could he state the different areas, the surveys were carried out and to put it more bluntly, who they were carried out for?

HON. LINFORD A. PIERSON: The supplementary is quite clear now. I will provide this information for the Honourable Member, I do not have this readily available but I will let him have this in writing.

THE SPEAKER: The Second Elected Member for Cayman Brac and Little Cayman.

MR. GILBERT A. McLEAN: Madam Speaker, in view of the information the Member has given, can he state whether it is not true that the Government Surveyor is discouraged from doing surveys in Cayman Brac (except for Government), and could he say if these expenses were incurred on Government's behalf?

HON. LINFORD A. PIERSON: Madam Speaker, I believe that this information will come out in the next question as to the limits that are placed on the surveyor in Cayman Brac. There are certain limits under which the surveyor has to operate and that could maybe have a dampening effect on the surveyor but this has not been communicated to my Portfolio.

THE SPEAKER: The Second Elected Member for Bodden Town.

MR. G. HAIG BODDEN: Madam Speaker, I wonder if the Member can explain how there is a loss of less than \$4 on only eight transactions in Little Cayman while the losses in Cayman Brac seem to be so much higher and also if the Member can say if there is a similar result in Grand Cayman?

HON. LINFORD A. PIERSON: Madam Speaker, I am reliably informed that in view of the many factors involved it would be very difficult to state precisely why there seems to be a better control on costs as related to the charges or the revenue in Little Cayman than in Cayman Brac but as mentioned there are a number of factors involved and it is quite complicated to really get the details as requested by the Honourable Member.

THE SPEAKER: The Second Elected Member for Bodden Town.

MR. G. HAIG BODDEN: Madam Speaker, I wonder if he could tell us how this relates to the situation in Grand Cayman with regards to losses or gains on similar transactions?

HON. LINFORD A. PIERSON: Madam Speaker, it seems like this could have been given in a substantive question. We were not asked that. Grand Cayman is a much larger area with many, many more surveys and one of the factors that would contribute to any loss in this respect would be things like the weather conditions and so on. So there are a number of factors to be considered but with Grand Cayman that would take a lot of research to determine or to provide the answer asked by the Honourable Member.

THE SPEAKER: The First Elected Member for Cayman Brac.

CAPT. MABRY S. KIRKCONNELL: Would the Honourable Member confirm if the Government surveyor in Grand Cayman is allowed to carry out private surveys?

HON. LINFORD A. PIERSON: Madam Speaker, the answer is no, we do know the Government Surveyors carry out no private surveys in Grand Cayman, thus there would be no losses from this operation.

THE SPEAKER: The Third Elected Member for George Town and this will be the last supplementary under this question.

MR. TRUMAN M. BODDEN: Would the Honourable Member say why it costs twice the amount of the money that is paid to the person carrying out the survey? What makes up the additional 100 per cent that is added on?

HON. LINFORD A. PIERSON: Madam Speaker, I believe that it is well known that in business charges are made on the basis, which I previously gave, two to three times the early earnings of a man's salary. We are not looking at the cost of the survey, but of the salary in calculating this. I gave in that answer previously that Government costs are calculated at twice the early earnings of the personal involved for the time spent. I know that even this type of a system is used in some of the professions such as the Legal profession and the Accounting professions so it is not new.

As regards the second part of the Honourable Member's question how Government charges for surveys, Survey Fees are charged according to Schedule V of the Land Survey Regulations Revised. The Schedule was last revised in March 1986, but a general review of the Regulations have been commenced and the Statutory Scales of Fees will be included. When they are adjusted for inflation the element of subsidy will disappear, though with establishment of a private survey service for the Sister Islands there will cease to be a need for Government to provide this service.

THE SPEAKER: The next question is No. 263 standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

THE FIRST ELECTED MEMBER FOR CAYMAN BRAC AND LITTLE CAYMAN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS, WORKS AND AGRICULTURE

No. 263: Would the Honourable Member advise the House if there has been a review of Government policy regarding the Government Land Surveyor stationed in Cayman Brac carrying out surveys for private land owners? If the answer is in the affirmative, will he state the results?

Answer: In September 1990 a new policy was approved to allow the Senior Surveyor, based in Cayman Brac, to undertake survey work for private proprietors in both Sister Islands up to, but not exceeding, a dollar value of \$1,000 as recommended by the Lands and Survey Department. This policy was later amended as follows:

- (1) Survey work up to, but not exceeding, a dollar value of \$1,750 for survey fees, excluding travel and accommodation costs.
- (2) No survey to include more than six lots, whether or not executed in phases.

No final decision has been made as to whether these limitations should be adopted, but the situation remains under review. Meanwhile they are being used by the Department of Lands and Survey and are proving to be of practical application. The limitation of six lots was designed to agree with the application of subdivisions used by the Development Control Board which treats subdivisions into six lots or fewer as family subdivisions, and those into more than six lots as commercial ones.

In a recent development, one of the survey companies in the private sector is in the process of establishing an office in Cayman Brac so as to provide a regular private survey service in the sister Islands. As stated in a Government Information Service release dated 25th February, 1991, it is not the intention of the Department of Lands and Survey to compete with private sector surveyors for work, so the activities of the Senior Surveyor (Cayman Brac) in this field will be under close supervision while the private surveyor is becoming established.

SUPPLEMENTARIES

THE SPEAKER: Supplementary, the First Elected Member for Cayman Brac and Little Cayman.

CAPT. MABRY S. KIRKCONNELL: Thank you, a supplementary.
Will the Honourable Member state with this new policy, if it is implemented, will it mean the down-grading of the present Lands and Survey staff in Cayman Brac? That is my concern.

HON. LINFORD A. PIERSON: Madam Speaker, because the Government does wish to compete with private sectors surveyors for work, it is anticipated that the Department of Lands and Surveys will do fewer and fewer private surveys as the private sector surveyors become established and will cease early in 1992 to do any at all, as in Grand Cayman where six licenced surveyors operate. Government surveys will continue to be done and those small surveys, which the private sector may refuse to do, because they are not economical.

As regards the main gist of the question, the Senior Surveyor will be transferred to Grand Cayman and replaced by a more junior individual.

THE SPEAKER: The Second Elected Member for Cayman Brac and Little Cayman.

MR. GILBERT A. McLEAN: Would the Member say where is the obligation on Government to hinder the present surveyor in Cayman Brac from undertaking jobs, which are badly needed, other than Government jobs of surveying, simply to allow a private surveyor in Grand Cayman to set up an office in Cayman Brac?

HON. LINFORD A. PIERSON: Madam Speaker, it is not Government's policy to, in anyway, hinder the necessary survey work which is required to be done in Cayman Brac. As stated in the substantive answer or in a supplementary, the cost limit will be a figure of \$1,750, up to that point, after which the surveyors will be the private surveyors will be able to come in and carry out these surveys. The question that could reasonable be asked is, do we want to encourage the private sector to get involved in this type of work or do we want to put in place a policy that would have the effect of discouraging this private sector participation?

- THE SPEAKER:** The Member for East End.
- MR. JOHN B. McLEAN:** Thank you, Madam Speaker. Could the Member say exactly what the staff member being brought back from Cayman Brac will do when he returns to the office here in Grand Cayman?
- HON. LINFORD A. PIERSON:** Madam Speaker, this Senior Surveyor will be filling a position that will become vacant next year due to an Officer not renewing his contract.
- THE SPEAKER:** The Member for East End.
- MR. JOHN B. McLEAN:** Madam Speaker, could the Member say if this aforementioned Officer is Caymanian or not?
- HON. LINFORD A. PIERSON:** He is an over-seas contract Officer, Madam Speaker.
- THE SPEAKER:** The Member for East End.
- MR. JOHN B. McLEAN:** Could the Member further state whether bringing this individual from the Lands Office in Cayman Brac back to Grand Cayman will jeopardise the job of a Caymanian who should be in that position?
- HON. LINFORD A. PIERSON:** The answer is no.
- THE SPEAKER:** The First Elected member for Cayman Brac and Little Cayman.
- CAPT. MABRY S. KIRKCONNELL:** Thank you, Madam Speaker, a supplementary. Can the Honourable Member say if the transfer of the Senior Surveyor back to Grand Cayman will in anyway jeopardise the employment of the junior members of staff?
- HON. LINFORD A. PIERSON:** The answer is no.
- THE SPEAKER:** The last supplementary, the Elected Member for East End.
- MR. JOHN B. McLEAN:** Madam Speaker, could the Member elaborate a little more on what this Officer will be doing here in Grand Cayman and his full line of duties within the office of Lands and Survey?
- HON. LINFORD A. PIERSON:** Madam Speaker, the Officer from Cayman Brac will be carrying out the duties of Senior Field Supervisor.
- THE SPEAKER:** That concludes Question Time for today. We will continue with item 4 Government Business, continuation of the debate on the Budget Address. The First Elected Member for Cayman Brac and Little Cayman continuing, having utilised 59 minutes in yesterday's debate..

GOVERNMENT BUSINESS

THE APPROPRIATION (1992) BILL, 1991

CONTINUATION OF THE DEBATE ON THE THRONE SPEECH DELIVERED BY THE HONOURABLE FINANCIAL SECRETARY ON 15TH NOVEMBER, 1991

- CAPT. MABRY S. KIRKCONNELL:** Thank you, Madam Speaker. When the House adjourned yesterday afternoon at 5:30, I had completed speaking about the training of our college students on summer vacations. I would now like to briefly speak about Cayman Airways.
- As I have said in this Honourable House on many occasions, I think living off the Island of Grand Cayman tends to make one appreciate Cayman Airways even more than those who live on the Island. I have stood in this House and in other public forums and said that I support Cayman Airways and have also made that evident with my votes when necessary here in Finance Committee for Cayman Airways.
- I realise that as a tourist attraction Cayman Airways is an integral part of our infrastructure, it is the connecting link between the inter-Islands and Grand Cayman and also the Cayman Islands and the other international destinations. Therefore, although it may not have been having as smooth a ride financially as all of us would have hoped for, we should all be grateful for the fact that it is still flying.
- I have been accused of not voting my conscience when supporting Government on some issues, but that is an issue that I have no problem with. Any time that I vote, I vote what I feel is best. I feel that if we all examine our consciences we will realise that as we now see a great nation like the United States of America with its economy going down, down, down, the recession seems to be worsening

instead of improving.

I heard a prediction only this morning that the Federal Reserve System may be forced to reduce interest rates two more times before they feel that there will be a turn around in the economy in that great country. One commentator was bold enough to say that the Fed's prime rate would go 3+. So that gives you a general idea of what world economic conditions are when a great industrialized nation, such as the United States of America, has to continue to be propped up by low interest rates by their Federal Reserve System. Therefore, it is not at all unusual that this Legislature should be called upon to increase the subsidy to Cayman Airways.

I supported the introduction of the subsidy when it was brought to this House originally. I felt it was far better than Cayman Airways not knowing where support was coming from. Upon the final evaluation of the review now being implemented by the two gentlemen who have been employed by Government for this purpose, I think it would be very prudent of the Government to establish a subsidy that would suffice the financial need of that airline to get it viable and let us try to move on. I am confident that the studies that have been done are good. I think we have taken the right approach to improving the position of Cayman Airways, and I think now is the time that we support them not only from political platforms but in Finance Committee with our votes do what is necessary.

Madam Speaker, we have realised over the years that it has cost money to fly to Cayman Brac, but we also realise the infrastructure of our roads to connect to East End, North Side, and West Bay, has cost a lot of money as well. Cayman Airways is the connecting link from the center of Government to Cayman Brac and Little Cayman. Before going in to the Budget, I would like to say that I am very satisfied that the new format has given us additional information. Often in the old Estimates as they were presented the explanatory notes sometimes did not give us sufficient details. The new format, I think is going to be very beneficial and I congratulate the Government and the Honourable Financial Secretary and his Department in bringing forth this improved presentation.

The Revised Estimates for 1991 and the present state of the public finance is not as rosy a picture as any of us would like. I hasten to say that I am not an economist and I shall not attempt to portray the part of one here today. I shall simply talk in my normal way of trying to give some indication of how I see it. The total expenditure of \$127.8 million which exceeded the original estimates of \$124.3 million was a 2.8 per cent overrun of expenditures and the Revised Ordinary Revenue will be about \$109.5 million down .7 of one per cent or a \$0.8 million shortfall.

I think we should halt here a minute and realise that Statutory Authorities have been created within our Government in recent years. The revenue now collected by the Port Authority, the Civil Aviation and the Water Authority no longer go directly to General Revenue but they go to those Authorities. That is why the public debt is divided into self-financing loans and the other ones that Government is directly responsible for so we see that revenue is being reduced and that is one of the reasons that the revenue is not as high.

The Honourable Financial Secretary has noted that the Stamp duty on the transfer of land has reduced by approximately \$0.8 million shortfall. This is room for concern but I think that can be attributed to the depressed condition of the U.S. and world economy.

The General Reserves estimated total for the end of 1991 will be approximately \$13 million and I note that that is in the Budget. It is proposed to transfer to General Reserves \$3.5 million in 1992 to balance the Budget. It is clearly stated in the Budget Address, if it is an absolute necessity and I, for one, hope that there will be an upturn and it will not be necessary.

I, would like as a non-economist, to touch on one point. This Government is the first Government since the Pension Law was enacted in 1963, to be bold enough to make a provision for a Pension Contribution Account and which was enacted in 1990. It is estimated that that Pension Contribution Account at the end of 1991, will be approximately \$3.4 million. It is said that at the end of 1992, approximately \$5.6 million, not allowing for any interest that this account will earn. Had this Government not had the foresight to establish this Pension Contribution Account the Statutory obligations of this Government would be greater but the Reserves possibly could have been \$3.4 million more. So the \$3.5 that we are talking about taking out to balance the 1992 Budget might not have affected the \$13 million. I say this as a non-economist's opinion but it is simple mathematics.

I congratulate the Government in establishing this pension fund and as it grows to larger sums and with its proper investment it will be able someday to suffice the needs of the pensioners who will earn their well deserved pension at time of retirement.

We have heard much about the public debt and debt concerns me. I am afraid of debt and it is continuing to grow but I would also like to see that recoverable loans owed to this Government at December 31, 1990, which is the last figure that I have had a view of, amounted to \$36,464,625. This is money owed to this Government which can be collected, therefore, that should offset to our Public Debt.

When I spoke of the improved format of the Budget, I forgot to say that one important improvement I see in addition to the way it is set out is the Mission Statement which is presented in the Budget for each Head of Expenditure. That is informative and gives a general view of what has been done and what will be done by that Head during the ensuing 1992. The 1992 Budget is a budget of a large sum of money \$130,791,000. The Recurrent Revenue will amount to \$107,068,707 million.

Much has been said about the high cost of the personal emoluments within our Government. We have a large and hard working Civil Service, and I am proud of the way in which it works. I feel that it is under able leadership, and it is through the initiative of the Department Heads that this Government will continue to grow. We are weathering the storm of world recession - I think as good as most other countries and probably better than most - because of the prudent management of this Government's finances.

I would like to support the idea that we must spend cautiously, we must prioritise our needs. We talk about a rainy day, maybe the rain has started and this is the beginning of it. Therefore, we all should continue to be prudent as we look to the future.

I want to say that there is very much more that I would like to have said had my throat allowed, but I realise that time is important and I do not want to repeat myself. But, before I take my seat I would like to say that I have never, in the 12 years that I have been a Member of this House, used this Honourable Chamber as a political forum and I shall never do it. I have tried to be as honest and as forthright with what I have had to say that has been recorded in the *Hansards* of this House. I think each person that has been elected here has tried to do its best.

I said in beginning my speech that when one has responsibility and has to make a decision it is a much different position than when one says that is a decision that should have been made. Anyone can speculate. When you have the responsibility, it is a different story. Therefore, Madam Speaker, I am not going to make any predictions on the outcome of the elections of 1992 or the future of this country. I am just concerned that what will happen in this Honourable House between now and the next General Election that this country continues to be the country that we all so dearly love and we want to see progress in a steady upward trend.

Therefore, having the physical limitations that I have today, I will conclude my address by saying that I ask almighty God that he continue to bless this country and our Executive Branch of our Government and all the Legislative Members that we may continue to guide this country in the direction that it needs to go for the betterment and future generations to come.

Thank you.

THE SPEAKER:
Cayman.

The Second Elected Member for Cayman Brac and Little

MR. GILBERT A. McLEAN:

Thank you, Madam Speaker. I rise to offer my contribution to the debate on the Budget Address for 1992. As I do so, I take note of the fact that the largest budget to date in the history of our country has been proposed. I suppose one could say that that is natural, that with prices increasing in all areas, cost of living and otherwise, the budget will increase. However, a Budget of \$130.8 million or approximately \$131 million is indeed a very large, large sum of money, a budget for a small country of approximately 26,000 people.

This takes on greater significance and indeed, to me, startling effect when I think that in the last census which are the precise figures on the population, the population was then approximately two years ago 25,355 of which only 14,859 were employed. Therefore, if it has increased to 26,000 now, I think it has been adjusted by the Statistics Department to approximately that, and if we add another 1,000 people to the work-force we get about 15,000 odd people. We are still looking at 15,000 or 16,000 people who generate money, who pay taxes, who pay fees and businesses which are limited in number, some of which are large, some of which are small. We are looking at a small number of people to be servicing a budget of \$131 million.

Greatly significant in this too, is the fact that of this 15,000 people, 50 per cent are not Caymanian. They are foreign nationals whose business is basically only here because of the employment opportunities. If the conditions which we have experienced and have been fortunate to have over the years change, that is from one of over employment to one of unemployment, then the particular condition becomes even more serious.

This can happen and it does happen. We have heard the Government Members say that the downturns in the economy was affected to a large extent by the Gulf War. So well I remember that last year, when the Government brought a tax package of \$10 million, that at least the opposition Backbench Members during the course of debate brought to the attention of Government that by imposing \$10 million tax package there was a risk because it being done on the assumption that things would continue to be the way they were and then there was the Gulf War. No way of stopping that, no way of profiting from that as did at least some of the countries that sold weapons and actually fought the war on behalf of some of the countries in the Middle East involved in it. It brings to the forefront something that Professor Nettleford said at the opening of the Community College, that in this day and age when we talk about the market and the market forces it is well that we, in the developing countries in the Third World, understand that we neither have control over the market or the forces.

That tax was brought and we can accept to some extent that the Gulf War had some effect, but while that can be acknowledged, we have to look at the prudence of management of the Government in terms of what it spends versus what revenue it earns.

The Financial Secretary in his Report has also made note of the fact that international banking activity has slowed. Again, we have no control over that, so it slowed so we are affected. But it should be a constant monitor or a constant reminder to the Government that this country of ours in its expenditure should not extend itself to a point where we need fear if sudden or calamitous situations occur.

I believe that in a number of areas we need fear for the extent of our expenditure versus our earnings and add to that what our inescapable recurrent expenditure is. Real Estate growth fell and I believe that fell as a direct result of the taxes which were brought last year which for one thing increased Stamp Duty on land transactions. The Government was warned. We on this side of the House spoke to this particular aspect of things and told the Government it was going to happen. The feedback that we had gotten from this particular sector of the economy was clear that if taxes were brought in in this area it would have an effect - and it did.

What has happened since that time? The consumer price index has rose 7.7 per cent in 1991, with an average running at nine per cent at the end of this third quarter of this year. It is the highest recorded since 1984. There are lots of warnings to us, to the Government who are responsible for the day to day management of this country and they should take heed of it. It is not a question of them taking an attitude they do not like to be told from this side of the House about it. They can fall back on their statistics that are now available. I for one am very happy to know the extent to which statistical data has grown in the Government which should influence decisions. One can get closer to making the right decisions by looking at the Statistical information and the Statistical information is showing that we are reaching to an area of expenditure where we are falling in line with many of our less fortunate islands in this particular region.

The Financial Secretary also spoke to some extent about the inflation that has occurred in the economy and that these conditions were caused by a number of factors which I would say is normally always the case.

One that is very important to us in this country is the labour market. What is often alleged at least, is the scarce labour supply. I think that is blown out of proportion to a large degree. There is not as scarce a labour supply in this country as is often made out by employers in the private sector, or indeed by Government statements. There are people in this country who are out of jobs at this time - jobs as common as labour jobs. Certainly there are people out of work in the skilled and unskilled areas, the technical field, in the building areas, construction workers, and there is a serious need to address this particular situation. It is being ignored at this time, largely because of what amounts to in many instances slave labour, when compared to the realistic wages which should be paid but are not being paid, some of the much lower and diminished wages amount to almost a slave labour situation.

That might sound like a drastic statement but it is not. I know that in some hotels, for example, at least on the Brac, there are instances where people are earning as little as \$1.75 an hour - \$14 in an eight hour day. In this society that is a crying shame when a Government exists, a Labour Department exists, yet such a thing is allowed to happen. The lowest wage in this country now (as set down in the Estimates of expenditure for 1992) that Government is paying is \$4.25. Normally, Government wages are always a bit lower than those of the private sector. So there is a measurement for the private sector which normally pays more.

I do not altogether agree with the statement in the presentation of the Financial Secretary that salaries and wages have gone up to any appreciable extent except really in Government because last year there was an increase following the \$10 million tax package but the private sector has not itself increased to any appreciable extent. Difference being is that the private sector being profit orientated, squeezes one area first and foremost and that is wages and salaries. There has been some increase no doubt, by the fact that there has been an increase in oil prices. For our own condition certainly one of the areas last year taxed was gasoline and diesel. So in terms of usage in this Island it surely has gone up on top of the fact that from the suppliers it also rose, so we are having a two-fold situation in that respect.

Tourism is showing less than a desirable performance. I do not want to say that we have lost all of our attractiveness to visitors to this country as we have known over the years but certainly there is a serious problem in prices which are offered for the tourist dollar. There is no escaping that and I agree, as the Member for Tourism said yesterday, there is still the safety factor, the aquatic sport attractiveness of this Island, the cleanliness and friendliness but what we are talking about in this particular debate, and what the Financial Secretary is talking about in his Report to this House, is money. Prices of course is most significant part of this whole affair.

We have certain seasonality problems which have always been with us and that will continue to be until we find some way of attracting tourists here in numbers which are sufficient to bring up what is normally the down time of tourist arrivals. There are ways and means, it is just a question of finding it and I think that part of that solution lies within, again, the pricing of packages to this Island. I believe there can be improvement in packages offered to the tourists in the down time, seasonally, as we know it to be.

The Financial Secretary was not at all very certain that tourism for the year 1992 would grow or would be good. But if it did, he projected or expected that there could be a 10 to 12.5 per cent increase of revenue in the economy from this area. I certainly hope so, but I keep coming back to the point that the properties that offer accommodation, the food places that offer food and the beverage which is offered has to be within a means that all of the types of tourists we have here can afford and we can ill afford to cater to one particular type of tourist.

Another matter that we need to constantly bear in mind is tourism gives to these Islands a cash flow. This is certainly my opinion and I think it can be proven, if statistics are done to show this which to some extent it has. As for money staying here in these Islands, I say the percentage is minimal. The hotels are foreign owned, most of the workers there now appear to be foreign nationals, who, while they spend some amount of money here, their ultimate aim has to be earning money, saving it, to take it back home.

Tourism to us is basically a cash flow, a good cash flow and it depends on whether people come to our country and spend their money. I doubt very seriously that anything could be more fickle than human beings. What will attract some, will turn others off. So we have no guarantee or no control really over this particular aspect of things.

As tourism is fickle so is our guarantee that we will have the cash flow from tourism. One of the ways that we can insure that tourism has a better effect on us is to see that as many of our Caymanian people as possible are working in these hotels, and these tourist orientated business, and those persons are diminishing by the day. The reason being again is that employers are eroding the realistic and proper wages they should be paying to the Caymanian worker and they are taking that money and employing like,

two non-nationals, for one. That is effecting this economy. That is not helping it and it is directly affecting Caymanian people.

The Financial Secretary noted the labour market between October 1990 to the 30th of September 1991, saw 2,774 jobs advertised. What is fascinating about this is that a total of 2,376 work permits was granted over that 12 month period. I fail to see, other than a fee that was paid to Government, how that kind of condition is helping the persons in our society who are out of work. These permits, I do not believe were necessarily confined to Grand Cayman because it is quite staggering too, the number of work permits that have been granted in the two smaller Islands of Cayman Brac and Little Cayman.

In those two Islands when someone finds a job there they normally stick with it; there is normally not too much movement except perhaps with those who do construction, and depend on the construction, to the extent it is available in Cayman Brac and Little Cayman. These, I would imagine, would reflect numbers over there as well and there are persons there who are out of work that are willing to work, as well. As recent as last week-end a young man was complaining to me that he was not working at a particular hotel anymore because the wages were too small. I agree with him. While I think in some instances wages are too high, certainly when you are working for \$14 a day, that is a little bit on the low side.

Caymanians are out of work, and what is happening is that employers are getting more work permits because they say Caymanians do not want to work. But the truth is, Caymanians do not want to work for the wages they are being offered which are not fair, for the work to be done. Government knows about it, the Labour Office knows about it, but the Government does not have the political will. It has not displayed in any instance the political will to set this situation right. It is going to cause a problem, it is causing resentment right now and the Government should be aware of it but it is going to become more drastic, I personally believe it will. Every conflict that has arisen in these Islands over the history of the Commonwealth Caribbean has somehow centered around the question of labour. We might be unique that we claim that we have over-employment, and we have less labour than we are able to supply, but this situation that is existing and is now in place between us and them, I predict.

Speaking further on the matter of labour and the tourism-oriented businesses. It is known that some hotels here, get away with murder in terms of its employment. While the Hyatt Hotel may be one of our premier hotels somebody should really send them a message about what is fairness in employment. During the last Sitting I received a copy of a letter from some Caymanians who were working there. Caymanians, unfortunately, are people who will stand on the sidewalk, or they will shoo-shoo behind the door, but when it comes to speaking up for their rights they tend never to do that until they get so overloaded it all comes out in great resentments and vexation. But these people actually put their names to this letter. I think everyone here may have gotten a copy of that letter complaining about what was happening in terms of non-Caymanians being employed there. I have received information, which I count as quite reliable, where foreign workers have been employed without the necessary skills, are being taken at the expense of that hotel, sent overseas to be brought back here to work. That is the type of thing that must be offered to Caymanian people.

If the Financial Secretary is following what the Manpower Survey has said, then that is a major priority that needs to be addressed in this country and it is not being done.

As for gratuities being stolen in this country from the people who should get it, it has become standard, Madam Speaker. The Labour Office knows about it. The Portfolio of Labour knows about it. The hotel managers and management, they do not even bother to hide it! Because nothing is being done to stop them! The Hyatt too, the Labour Law says you must not share gratuities with management, but the Government should take a careful look and see how high up the gratuities reach.

There are other reports of hotels that take 15 per cent automatically the hotel keeps 15 per cent for breakages and other miscellaneous expenses and they supposedly share the other 10 per cent in gratuities. Most fascinating is the fact that each hotel has a different formula for sharing gratuities. That has to be one of the most confusing and unmanageable and undesirable and unfair and illogical things in the world that the Government is allowing to happen. If it is one thing this Government needs to do, is to develop and evolve a national formula for how gratuity should be distributed in this country so that all properties that take money from customers in gratuity knows and the Government knows what to look for when they go to examine it. I agree, failing that, stop taking gratuities. At least the properties would not be taking the extra dollar from the person who pays. There is no doubt in my mind that the Labour Office, and the responsible persons in Government know about this. But as I have said, Madam Speaker, there is no political will for doing anything about it.

I was a civil servant for many years and if it is one thing a civil servant knows, it is when the political will is not there to support his actions. The civil servant immediately puts himself in gear and says, this is how it is going, this is how it will go, I am not going out there to get blistered and battered because there is no political will for me doing and interceding into what I know is not the proper thing. So that is what is happening, it is a reactive situation. The Labour situation in this country affects the economy, I agree, like the Financial Secretary says, but it is a major priority that needs to be addressed in this country. It relates to Immigration and there lies again, one of the biggest priorities that we have in this country. It is not a question of the people coming it is what we are going to do with them? How it is affecting those of us, who have first call and first rights in living here.

The Financial Secretary, apparently has also taken some steps to look at Manpower Development in this country. It all relates to the labour aspect and I salute him for that. But, if something is to be done, it cannot be done through lip services. There has to be a definite plan and the Financial Secretary and every Member of the Government Executive have to decide this is the plan, we are going to enforce it, some will like it and appreciate it, others will not. But it is going to be.

I think there is soundness in working out a situation where students who are studying abroad can come back home during their vacation to go into meaningful internship because, as with mathematics, there is pure maths and there is applied maths. So a student can be learning a particular discipline but its actual application only comes through experience and through training.

Several years ago now I think the First Elected Member for West Bay brought a motion here and it was accepted for an internship and apprenticeship system. It certainly needs to be put to work because more and more we are bringing non-nationals into this country while our own people are not being trained. If employers, including Government, do not wish or cannot spend the money to send them abroad to institutions to be taught, then the least they can do, and one of the best forms of training is on the job training and it is not being done to any significant extent whatsoever either in Government or the private sector. It is being paid lip service and nothing more.

The admission that young students who are studying for degrees should not come home and be asked to be errand boys is an admission of situation as it is. I do trust that the Financial Secretary will have success in bringing about these particular developments and this particular training programme because it is needed most severely.

THE SPEAKER:
do not have a quorum in the House.

Would you be prepared to take a suspension at this time? We

MR. GILBERT A. McLEAN:

Yes, Madam Speaker.

THE SPEAKER:

The House will be suspended for 15 minutes.

AT 11:28 A.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 11:49 A.M.

THE SPEAKER: Please be seated. Proceedings are resumed, the Second Elected Member for Cayman Brac and Little Cayman continuing the debate on the Budget Address.

MR. GILBERT A. McLEAN:

Thank you, Madam Speaker.

When we took the adjournment I was about to comment on the fiscal performance as given by the Financial Secretary in his Report to the House. He noted that the growth rate in 1990 was less than half of that in 1989. He saw two factors, at least as being responsible for this and one was the changing of the Water and Sewerage which was then a part of central Government, changing of that to a Statutory body. I imagine he is correct in this particular projection but there is one thing certain while there is less growth and less revenue to Central Government, the demand remains the same or, if anything, it increases. The fact that the revenue and the growth have fell it still signals a problem for this country.

Stamp Duty collections fell. That was natural, Madam Speaker, because it was inevitably going to happen when last year when Government brought the omnibus tax package of \$10 million. It had to occur. Our Public Debt as of the 31st of December 1990, was stated by the Financial Secretary to be \$30.6 million. By the end of this year he expects that it will reach \$42.3 million.

Once again, I think that there is every cause for the Government to take heed in its spending. Spending has moved far beyond revenue and we should not attempt to spend what we do not have. Borrowing can be done in some instances, but there has to be extremely good cause.

We have been fortunate, along with some sensible management, to stay where we are that we can still manage our debt and that we can still meet our recurrent expenditures and the inescapable expenditures in Government. My own philosophy is that we should deal strictly on a basis of need and stay with what is necessary and the wild spending or the large projects really do not have too much place in any kind of sensible public management in this country.

The Financial Secretary noted this in what he said to the House and that the expenditure should be driven by the revenue. In other words if we got the revenue then we should spend, if we do not then we should not go overboard with it. That is sound advice. That is sage advice, that is the advice that our elders, those long departed souls, that is the type of attitude that Caymanians took in living in this country.

What is happening nowadays is that our new adopted life-style which we see on television and which we believe is necessary for us to have to find happiness leads us, Government included and the people, into expenditures far beyond our means and far beyond what is necessary.

I firmly believe that the Government needs to be a role model in presenting the correct image to this country in terms of good fiscal management and by them being a proper role model it will pass on to the people generally. Our public debt needs to be held in abeyance. If we find ourselves as some other islands in this region have found themselves, sad is going to be our fate for all that we really have to sell is ourselves and our country to the visitors who will come and visit our shores. We have no raw materials for sale, we virtually produce nothing that we sell on the international market. The turtle trade has long been taken from us, no one uses anymore thatch roofs because plastic roofs serve as well. We need to be realistic in the face of all of the people who are suffering an illusion that we are living in an Alice and Wonderland situation and nothing can change our fate one way or the other.

The Revised Estimates, Madam Speaker, show a \$127.8 million which exceeds the original estimate of \$124.3 million. Everything keeps pointing to the fact that we are spending

too heavily. There is no doubt in my mind whatsoever as I go around and I observe things being done, areas where Government is expending money, I listen to stories about where and how Government gets its supplies for some construction and in other areas that expenses can be cut but there is no realistic control on the way the money goes. Realistic to the point that it must get, as the Financial Secretary has said, where each account and each accounting officer must give account of how the money was spent and I would say that if there is an instance of a Head of Department or an Accounting Officer rather than spending a \$100,000 for something, if he can get that service of the standard that is necessary for \$75,000, that person ought to be commended and indeed, that kind of management ought to be awarded. The merit system, get paid for merit.

A good place where one could start would be in the largest spending department of all, the Public Works, because Public Works is not a revenue earning department and it has never been. It is a service department. A few months ago, I had cause to go on that compound and I must say I was really staggered. Not by the amount of work I saw being performed there, but by the buildings that you have to look up to see. They are going skyward, Madam Speaker, in grand style. Air-conditioned to the tee.

I am not begrudging the people that work there, but I am saying, and this is not just Public Works, all over the Government has to look at what is realistic. It has to measure the performance again, as the Financial Secretary has spoken about. If you have six architects, how many drawings do they do a month? None? Well, why do we have them? Engineers? How much engineering do you do? None? Well friend, what are you doing around here? Then, look to see if there is work to be done and if it is being done, how quickly? This is all management, Madam Speaker. Time measurement, work performance measurement. Is it being handled in the right way? Work process? We will no doubt vote monies again and it will be spent for the coming year but how wisely it is being spent is quite another question.

The Financial Secretary has made a statement as to where emphasis is being placed and what will be policy priorities. He noted that they will continue in the area of Tourism, Education, Health, Social Services and road development. I agree that these are areas which need to be given a lot of attention and a lot of priorities. But, Madam Speaker, how these areas are handled is what counts.

In respect of road development, I believe that roads are necessary because road works and transportation by road assist development in any country. Right now we have a road work system that is serving this country. I believe it needs certain improvements but I will never accept, as has been stated here, by the Member responsible, when he still cannot accept the fact that good was done for the country when that Master Ground Transportation Plan was scuttled, as he termed it. I think that it was more the truth it was hindered and road works were shared in the various districts.

I have always said (and continue to say) that improvements are needed to assist the traffic flow. I, for one, support any of the junctions that have been improved where light signals have been installed or round-a-bouts have gone in. This is the way I believe that it should proceed rather than the Government going into a massive expenditure solely for roads. Not that roads are not good, but they are non revenue earning. They are expenditure in the beginning and they are expenditure to the end. Simple logic. Are you going to say to the people by which the road passes, "Look because it passes your property and your property is 200 feet on the road, we charge a \$1.50 as a fee, as is done in some countries?" Oh, no, such a thing would raise a political scandal, so therefore, it is necessary for this matter to be handled in a practical and realistic manner.

In Cayman Brac there has been considerable amount of road work and I am glad for that because there is a need at this time. Plus it also provides employment. The largest employment that Government can offer in the Brac is through road work. However, I could not in good sense and conscience say when the roadwork is finished, which it will be down-line to a satisfactory degree, and the actual roads are established, that we must continue to build roads. No. So there is a point that is reached where there is enough and there should be a vocal point where the Government sees a necessity as against simple desire to build a super highway.

The priority of health, I think is necessary. Social Services is very necessary. As our population grows older there is need for more health services; as our population grows and young people are coming up we need to provide immunisations and health care for them so that they do not get sick. Certainly, I do not oppose the desirability of having a new Hospital in Grand Cayman or in Cayman Brac. But what I oppose is the idea that everything that we need for health and Hospitals and medication and staff and everything can happen right now. Would that it could, but it cannot. As the Second Elected Member for Bodden Town noted, there is no question about the Member of Health stating what he intends to do, and most times going ahead and doing it. Whether he has opposition from his colleagues or not on Executive Council, I do not know, but he gets through most of the time.

If we look at the situation we have a changing of the guard with the Hospital system as we know it. It is becoming Americanised, if you will. It is changing from the British system of Social Medicine as we know it. That is a major change. Hundreds of people involved, professionals on whom we have to rely in life and death situations. They are the ones that help us not to die in certain situations.

Is it not sensible to get that working and in place, and get as large a percentage as possible of those personnel happy, then introduce our National Health Insurance? I can think of no country in the world that can meet the health demands of its population except through some type of national health insurance. I cannot fight the Member for wishing to introduce that, but should that not be brought in and given a chance to work with the Health Authority in the present facility? How on earth can one at the time take on a \$20 million Hospital which to give it a name, 'the Hospital in the pond', as my friend there from Bodden Town refers to it. We are talking about expenditure and there is no-one, except the Member who has said that \$16 million can build that Hospital and fix that site.

What I read in the papers from one of the engineers was that the mud was not any deeper than what it was somewhere down around Lime Tree Bay. He is fixing his posture.

Nobody is going to nail him down when it takes \$10 million to fill the site. He said, "Well, look, I told you it would not take more than that and, after all, they had a dredge down there". That is what we need to look at.

I personally believe that the MRCU should be ideally moved from there. Take that to the area of land that the Government owns in the swamp on the dike road. Ideally that is the business it is in - Mosquito Research and Control. Knock it down and use that large area there that the people of this country have known as forever as the Hospital and build a new Hospital there in phases. I cannot support the idea of entering head long into three major expenditures at one time in that particular area.

For Education, Madam Speaker, if no more than to put in the hearts and the souls of the Caymanian people the outrage that they should feel about a lot of things that are happening here now, I would want Education for them. The only way we can possibly change in a manner which is most desirable is through education from the time the child is the youngest and on-going into adult education and I do not just necessarily mean adult education where there is some pictures in the papers about a graduation from the Community College. I am talking about hard-back 50 year-olds that will take extramural studies in the evening in Jamaica to learn in subjects they would choose where they can improve on the job, improve their means of earning and all the rest of it. I do not see education purely as being a new school in Red Bay or having a new Community College. People can be taught under a Fig Tree, it is not the building that guarantees what the product is going to be.

I am glad that there has been some agricultural development, and I am glad to see that there is some plans for farm roads and provision of water facilities for livestock in Cayman Brac. I believe if one should measure it, relative to size, Cayman Brac might be doing more farming, at least small individual farming, than is really going on here in Grand Cayman. I am sure that there are a number of people who still cultivate their grounds and plantations and who actually earn a living, at least I know one gentlemen there, Mercharita Chantilope, he largely earns his living, he has something like 11 grounds last time I asked him. It would come in good for people like those to have access roads to areas on the Bluff as there is little arable land on the low level in Cayman Brac. So I am really happy to see that and of course I have noted that some of my colleagues on this side have criticised the fact that the Brac has a much larger sum of money for road works and all that I can say, I have to be grateful for small mercies bestowed by my good friend the Member of Communications. It is something that is needed there and I believe Cayman Brac, in particular, has now reached the point where we now have a public water supply, there is an electricity supply, telephone, there will soon be bulk storage there and with the provision of roads, I think then the onus shifts to the Member for Tourism.

I was happy to hear that he has taken steps to include Cayman Brac in a more meaningful way in forthcoming brochures advertising these Islands. Steps have also been taken to invite persons associated with cruise ship operations to take a look there. While Grand Cayman sometimes has five cruise ships in the harbour, if this could be accomplished one cruise ship a week would make an exceptional impact on business and life in Cayman Brac. It is a desire I have for the Island and something which I believe can be achieved by handling the situation properly, for example, making contact with the right people, giving them the right data, the right assurances and Government, if need be, undertaking certain financial guarantees in providing the necessary facilities on the Island. It is to this area, I believe, we need now look for the development of Cayman Brac and Little Cayman.

I am happy to know that the oldest of the hotels has been bought and it is in the process of being renovated and extended. I understand that the work has been halted temporarily, I hope. However tourism, has to be the way for Cayman Brac and Little Cayman to strive for. Of course, I do believe there it lends itself because at least the telephone communication system gives opportunity perhaps at reduced rates for some of the Trust Companies and the trust work and so on that goes on here in Grand Cayman. There is nothing that says that you cannot have one man and a secretary, a fax machine and a telephone carrying on a big bank as they do down here in Grand Cayman.

I am convinced that the situation will not change until Cayman Brac and Little Cayman are advertised in the whole Cayman Islands picture as being two of the three Islands that people can visit and Government takes the time to show the different type of vacations that are available within the three Islands. This would encourage people to select which island they would want to see or all three on any one particular visit. There are ways that that can be done, it just requires the effort and the interest of those concerned.

In the priorities for the Cayman Islands, certainly there has to be Cayman Airways. As the Member responsible has noted, there could hardly be a debate of the Budget without Cayman Airways coming into it. He explained to some degree yesterday certain conditions that are prevailing with Cayman Airways. One of them which I can continue to complain about and ask for is regular and reliable air service between Cayman Brac and Little Cayman and Grand Cayman. We do have the use of the jet now but that has been reduced in terms of frequency and I have to continue to bring to the attention of the Member and the House that even the experts who did the study had to point out that the times of the some of the flights to Cayman Brac are really atrocious and that you cannot encourage visitors to fly those times simply because it does not make sense in their overall plan and it even becomes very difficult on indigenous people who travel between these Islands.

I am disheartened to know that some of the management of Cayman Airways will not be terminated. The two experts who are being employed, in my opinion, do not have the clout necessary for the implementation of the necessary changes. I firmly believe that the move to get two experts (or three as the case may be) have been chosen. That is fine, but I believe it is necessary for those persons to be the direct link to the Member on the monitoring and the performance of Cayman Airways management. Included in this, as the experts have said, is the clear definition and policies and the functioning of the Board of Directors versus the actual day to day management. The Member needs to constantly be putting his fist down and everything else to bring about the changes which have been recommended and are necessary in the shortest time and in the most effective way.

I do not have much more to comment upon but I would take the opportunity now of commenting on the Civil Service. In two areas of his Report, the Financial Secretary referred to the Civil Service and made certain recommendations thereon, and advised the House of certain changes that are being implemented in the Civil Service.

I agree with him that civil servants generally give of their best performance. I think that is true, they try within the means available to them, within their understanding of the job and within the constraints imposed upon them by the regulations. That employment performance should be assessed is without question in my mind, Madam Speaker. I believe that standards need to be set in all areas, standards need to be established for space in their physical environment because there are standard sizes for office. Where one person does not take up half of a building and there is not sufficient space for his or her operational staff, I think here is a golden opportunity for the O & M Division that Government has set up. Space Management. I think there needs to be standards set for work output as there are standards for that. There are even standard times for a croupier dealing cards. There are standards on everything. How many cards should be dealt, how many letters is the norm for a secretary to process, how many telephone calls can be readily managed and so forth. Standards need to be set so someone can know what they are working towards.

That was not the case when I was in the Service and I do not now that that is the case now but I think it is laudable that the Financial Secretary in terms of monetary savings and getting value for money is looking at this particular aspect of things.

He speaks of the environment in which the civil servants work and I will quote a few sentences here from page 19 where he says:

"It must also (speaking of the employment performance) focus on programme performance, styles of program management, or the particular institutional environment for program performance; for in many cases, it is the particular institutional environment within which the individual civil servant works more than his or ability that determines the quality of the performance given by that civil servant."

I think they are very factual statements. What I would say to that is that there needs to be a harmony between the political and the civil arm of Government. It is my understanding that in many instances that is not the case. The two under the British system were meant to work together. The political giving the overall general policies, and Civil Service machine executing those policies. There needs to be clear policies and there needs to be clear job descriptions, which I do not really think is the case now. I do not believe that the majority of civil servants really know what their jobs require. There needs to be a clear knowledge of the job that they are performing, therefore, there is the need for training. I think that civil servants, each and everyone, needs to understand clearly, through being instructed, through proper training, through proper management, from the Head of the Department downwards, what role they individually play in forming the whole, and reaching the objectives, of Government.

I have said before and I say again, that I believe and I know of no other way as a short-cut to get an individual performing in the way that they should, but through the development of work manuals. I believe that those work manuals could be produced for every individual established post in Government. Not fancy books bound with the pretty backs and so on, as we normally get here, it could be a simple paper stapled together but has down what tasks and responsibilities are and it is a reference for the person and sets down precisely what they are expected to do.

I think it can be done and if we think of the army where they get basic training, they also have manuals with rules, regulations and policies to which they can refer to understand what they can and cannot do. I think something similar needs to be done for the Civil Service.

The Estimates for 1991 shows that there are 1,943 civil servants. That is a large number of employees, it is the largest group of employees in the country. As part of the Report of the Financial Secretary he has said that the Government proposes to give civil servants and pensioners a five per cent increase in salary. This represents in terms of money approximately \$3 million. So out of the \$131 million, \$3 million will be going to an increase in salary for civil servants and pensioners. A need has been identified, he has told us by a Salary Commissioner who has found that between 12 to 14 per cent upward adjustment is necessary to achieve comparability with the private sector.

I would just pause here a moment to say that I think in general terms, the Civil Service is well paid. I do not know what jobs have been compared, whether it was common labour, semi-skilled, skilled, technical, professional, whatever, for the Salary Commissioner to have arrived at these figures. However, I hope he did not take into account the salaries of some of these Bank Managers that I talked about a while ago of these big banks with a manager, a secretary, a fax and a telephone and where they earn \$9,000 or \$10,000 per month and use those to compare with the Government because undoubtedly our very highest paid could never aspire towards those particular figures. Not that it would not be desirable or indeed that the out-put is not within that realm or the responsibility for the country does not warrant it but the Government has grave limitations placed on it in terms of money. Also the Consumer Price Index has also shown that adjustments are necessary between 12.4 to 13.6 per cent.

I need to raise the point because it has been brought to me by members of the public who have said the civil servants are getting an increase, is the Government going to see to it that other businesses must give an increase too? Well of course, the answer to that is no. The Government does not have control on the private sector in terms of telling them they must give an increase. But it should be realised that while an increase is desirable and deserved, there are sectors in this country which will be affected and have similar expectations.

Government in this instance is in somewhat of a predicament because the taxes which it has brought into effect and which everyone in this country has to pay will not be able to be put towards increasing the salaries of other members of the Caymanian community who are employed. I certainly support the increase to the civil servants and I would not for one moment want to be considered as being against that. I would simply point out to Government that is it is found that 14 per cent is how much should be paid; only 5 per cent is being paid there is still a balance of 9 per cent that has to be caught up. So, it is at this stage patch work.

In referring to the matter of the Civil Service, one should sensibly take into account that the salaries of civil servants as given in the Financial Secretary's Report, amounts to 41 per cent of the total budget and 43 per cent of ordinary revenue. It represents in terms of dollars \$53.9 million or approximately \$54 million. It is my opinion that the Government cannot continue to increase salaries as they must be to keep in line with inflation and comparability with the private sector and continue to increase the Civil Service. That is the number in the Civil Service.

I am not saying anything that I have not said from back in the 1970s when I was involved with the Civil Service and I was President of the Association. I argued then, no one heard, but I say so now and particularly now that the Government has an O & M division, which I understand is under utilised, because the Governor and his underlings associated with the Personnel part of Government do not really wish the O & M Department to function to its fullest, which will take into account looking at jobs, the need for certain jobs and possible cut backs in jobs.

I am convinced that this country needs a thorough review by the Organisation and Management division of the Government where job evaluations are going to be taken into account, job descriptions, job classifications, redistribution of duties and responsibilities and out of that, I feel certain there can be identified duplication of effort within the Service which can bring about necessary reductions in staff. Those reductions can be such that they can represent millions of dollars and out of that savings the necessary jobs that are retained can be enhanced monetarily and still Government can have a surplus.

I am not advocating something to put anyone out of work, or any sudden and drastic termination of people's employment in the Service. I am speaking about an exercise which will be all encompassing for the good of the country in the Service where it will be coordinated with the Labour Office, the Caymanian Protection Board, Immigration Department, so the private sector will know that 20 people are available because we are having redundancies and these persons have had experience in this area and they have performed this level of work. Now, 'Mr. Hotel' we know you have so and so employed. Show us good cause why you cannot take on so and so, who will within a year's time be available. If you cannot find good cause, we are going to terminate that work permit anyway because you have to make space for a Caymanian who is capable of doing that job. They are the kind of decisions which the Government needs to undertake, and there is nothing like that happening.

As the Financial Secretary said, the environment has to be right in which the civil servants work and every civil servant I believe needs to clearly understand the role he plays and how significant he is to the overall achievement of the goals. I certainly support the increase but I believe it is my duty to point out that there are other sides to the situation which the Government should take into account.

The last point that I wish to comment on is the increase in taxes and just like on the 15th, that was the last item the Serjeant brought around and shocked me immensely when I saw a bill to increase taxes by \$10 million. It seems fitting that this should be the last point I make.

I do not know what logic the Government has applied to extract from our Island community of 26,000 people, 15,000 of whom are working, 8,000 of whom are foreign workers, \$20 million in 16 months. It is the biggest amount of taxes that has ever been passed in this country in its history and it cannot act for good in this community. In my mind, there is no way that the Government can justify applying another \$10 million taxes in this country. It is simply too much. As for it being mainly for tobacco and alcohol (what is termed, 'sin tax'... fine, call it sin or call it righteousness), it is an expense on those two items. It has to have an effect on the beverage and food sales, the two normally go together. I am not promoting anyone to drink or to smoke but it is going to have the effect.

Other speakers have pointed out that there will be people in the family who will say look, I am going to drink anyway, you were getting so much money for milk, well, I am just going to cut back on the milk and I am going to have the drink. It will have that type of effect plus there is no question that the mark-up on many items are way beyond what is reasonable or just or is a fair profit margin and these are two items which are highly marked up in outlets which sell them.

The Government should also take into account that they can raise taxes on these items to a point where if people are consuming less - less is being imported, therefore, the revenue they expected to get, they will not get from it.

The one that has had the drastic effect is the charge on diesel. Now that that tax has been put on, raised by 100 per cent (from 25 cents to 50 cents), every facet of life is affected. By electricity alone, there are few things in life which makes human effort and movement and motion easier that does not require electricity to power it and if you are sending up the cost on electricity, automatically you are affecting all facets of life. To say nothing of the food that must be bought in the shops that are selling it in all areas of life.

Madam Speaker, I totally disagree with the taxes which have been imposed. I do not believe it is a good thing, I believe the Government should have cut back in some areas of expenses, it is not me to tell them where, but this is going and has even now affected our economy. Because of that and in the many other areas to which the Government has not properly addressed itself, the country again, must recoil from this particular budget which has been presented for 1992.

Thank you, Madam Speaker.

THE SPEAKER:

The House will be suspended until 2:15.

AT 12:48 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 2:23 P.M.

THE SPEAKER:

Please be seated. Proceedings are resumed, debate continues on the Budget Address the Second Elected Member for Cayman Brac and Little Cayman continuing. Have you finished? (PAUSE)

The debate is open to any other Member who would wish to contribute. I have to inform Members that the Honourable Third Official Member has asked to be excused this afternoon. He also is feeling ill.

The Member for Education.

HON. BENSON O. EBANKS:

Madam Speaker, I had hoped that I would not have to speak today because I am suffering from a severe cold and my voice is all but gone. However it seems that those Members who are left to speak from the other side believe that they are going to find some magic in something that I say to help them out of the rut that those who have gone before from that side have put them in. If that is their hope, I assure you they are going to be disappointed.

I support the Appropriation (1992) Bill, 1991, Madam Speaker. I first wish to commend the Honourable Financial Secretary and his staff for producing this new format for the Estimates. It is clear and unambiguous. It sets out Government's financial position and the projects it proposes to undertake are all set out clearly for all to see. It even shows the anticipated expenditure on these projects when they carry over to succeeding years. The Budget is here in full view with all of its freckles, scars and warts for all to see and nothing is hidden.

The Financial Secretary's Address which accompanied this Budget document is also one of the best, if not the best, I have ever been privileged to listen to. It pulls no punches, it argues the case in my view successfully for Government's policies and actions and confirms Government's fiscal policies over the past several years.

The Second Elected Member for Bodden Town who opened the debate and started the chorus of criticism, which has been followed by most of the Backbenchers, said, "It is a bad budget, an incomplete budget", and so the chorus has continued. He said, "It is the worst budget he has seen in his entire time in this House." I am sure that this is a bad budget from his point of view because he had hoped that we would have arrived here with a budget all out of sync, a budget that did not contain any increase in salary for civil servants, I am sure that he had envisaged a budget without any provision for new schools, so I can imagine he is shocked and it is obvious that he has not quite recovered from his sight of the Budget and the Honourable Secretary's accompanying Address.

That Member and his colleagues that followed in my view expounded voodoo economics and preached fear to the listening public. As early as last year when we were doing the 1991 Budget, I said then that these were uncertain times and times for caution but that it was no time for Caymanians and the Cayman Islands to lie down and play dead because had we followed their advice last year that is what we would have done. We would have rolled over and played dead from then.

Globally, these are rough and uncertain times economically and the state of the global economy, must, of necessity, affect and rub off on an economy such as ours that is so dependent on outside forces. It is times like these that separate the boys from the men. It is times like these when the country can be glad that it has at the helm people who understand what is going on and people who are not afraid to do what needs to be done in order to keep our people employed, to keep the Caymanian pot, speaking figuratively, boiling.

That Member said that last year when Government introduced revenue measures to finance civil service salaries, he had warned that such action would dry up funds in the local economy. Banks would not have any money to lend, and he postured (and was reinforced by others who followed) that that was the case. Nothing could be further from the truth. They have these statistics from which I am going to quote... in fact, they used the book but I guess they only used those portions which they thought served their purpose. At page 45, table 6.08 lists loans and advances to Cayman Islands residents by all banks in the years 1977 to 1990. For these purposes I want to quote the figures for 1988, 1989 and 1990 to prove that that Member does not understand economics. If we look at 1988, we will see that loans outstanding to Cayman Islands residents by all banks stood at \$341,364,000. An increase of \$61,602,000 over 1987. One would also see that in 1989, that amount increased to \$425,530,000 an increase of \$84,166,000. In 1989, disregarding repayments that would have been made on outstanding loans, the amount of loans granted to Caymanian residents amounted to \$84,166,000. A 19.7 per cent increase over 1988. In 1990, the total amount was \$511,208,000 an increase over 1989, of \$85,678,000. A whacking 20 per cent increase and then they come talking about Government revenue measures dried up the money available to be loaned to Caymanians?

We would then go to the Financial Secretary's Budget Address and he said on the same subject that the Economic Unit in his department had estimated that the increase in public spending in 1990, would generate additional consumer activity of approximately \$58 million by the end of 1991. So where are these people living?

Contrary to what the Member has said, Government's increased spending is what propelled the economy of these Islands during this recessionary period. There is another paragraph in his speech which says that the study by the Economic Unit shows that our economy has been public sector spending propelled. If the Member does not understand that, what it means is that the Government spending is what has carried us over this difficult period so successfully.

This country (although I realise that in certain areas there are economic downturns) can be grateful that the Government was in a position to do so and that the Government had the fortitude to undertake additional spending during these periods. One only has to pick up the newspaper or the magazines or look at television to see how much better off we are faring than most countries in the world. I cannot think of one civil servant that has lost their job during this period. In fact, the Civil Service numbers have swelled. I do not know of any permanent employees in the private sector who have had to be laid off in the last 12 months. When we compare that situation with Great Britain, the United States and other smaller countries around us we find that they have been laid off in the thousands and the millions. Government has been able to continue to provide the necessary services and infrastructure to keep the country going.

Madam Speaker, the Third Elected Member for George Town (in his usual convoluted way) went on... and I am going to deal with the fee increases. I am not finished with the Second Member for Bodden Town yet, but I want to make some points at the beginning, Madam Speaker, because I believe that there are many in our society who must be frightened by some of the chat that went on in here over the last week or two. He indicated that the \$100 increase on company annual fees was going to drive companies out of the Cayman Islands and indicated that we were even now, before this increase, struggling to increase numbers and he said that we were struggling to get up to 20,000 companies and the British Virgin Islands, I believe, had started since us and had 30,000. But, again statistics do not support that Members claims.

Table 6.13 at page 49 of the Statistical Abstract for 1990, which gives company registrations by type and number since 1970, shows that, in terms of numbers of companies registered, last year was our best year ever for company registration with 3,870 companies being registered for a total company registration at that time of 22,260 and it is my understanding that at this present time we have in excess of 23,000 companies on the books. That is after cleaning out by the Registrar of Companies of all those companies that have not been paying their fees. These are live and active companies. These are companies of substance. These are not special trading companies or something that go off and register in less competitive and less attractive jurisdictions for \$50 a year.

Government has to have revenue from some source in order to hire the people to provide the service that these companies require and who better to pay that service fee than the people who own the companies.

The lawyers in town who demand expert and immediate attention - you must register it now, not tomorrow (and do not get me wrong, that is good because it gives service)... but I have not heard them, I have not heard where they have been reducing their fees in hard times. The Registration Fee by Government is a drop in the bucket to the cost of registering a company in Cayman and in my belief even of the filing of the annual return. But be that as it may, this was not done without thorough research and I am sure that next year we will be able again to report increased registration because this country has a good reputation for service and stability. Unless something happens I believe that we will continue in this fashion.

In dealing with the revenue measures that have been proposed, I think I should give a few lessons in economics and simple common sense. It does not take any Philadelphia lawyer or rocket engineer to understand what I am going to say because it is simple and straightforward.

The Second Elected Member for Bodden Town, the Third Elected Member for West Bay and the Third Elected Member for George Town carry on about the amount of money that is being pulled out of the economy and out of the pockets of 27,000 people. The 23,000 companies that I just mentioned for which \$100 increase annual fee is proposed takes care of \$2.3 million out of that tax package and 99 per cent of those companies are owned by non-Caymanians so that is not a Caymanian pocket hurting.

In the case of alcohol and cigarettes, do you believe that 27,000 people could consume enough alcohol and smoke enough cigarettes to give the Government almost \$3 million? No, Madam Speaker, the 250,000 tourists who visit this country will contribute the larger part of that. That is bringing money into the economy, not taking it out. Is that difficult to understand?

They build their case around the one or two unfortunate Caymanians who are addicted to alcohol and say that they are going to spend their entire paycheck now buying alcohol even though it has gone up. That is an unfortunate situation but you can multiply nothing a million times and it is still nothing. If that person was going to carry home nothing Friday evening, the fact that he has given the bartender more dollars is not any worse because he was only carrying home nothing. This is why I am saying that times like these separate the men from the boys.

The Second Elected Member for Bodden Town got up and, I think it was somewhere towards the end of his speech (because, as you know, I did not intend to speak today and I am only going on dead reckoning here now, as far as the order but what I am saying is good goods) called on the Government to rescind the hospital fees. The truth of the matter is that the suggestion and the demand to increase Government fees was contained in the Auditor General's Report and he said that the Public Accounts Committee demanded that Government get their charges in order and in fact when he was speaking about hospital fees he said that they must bring them up to what it was costing the Government and in this report he says that now even the increased amounts are only fetching 60 per cent of the costs.

He is a member of the PAC and the Third Elected Member for George Town, the other one that likes to talk about how strong and important this PAC is, with which I agree, he should not have touched that. He should have ran from it like it was a plague because when he sat on this side of

the House the PAC for four years never met and he was a member of it! He talks about the important checks and balances that that gives. He is lucky he was not stricken. That is no more ridiculous than the rest of what they went on with. That PAC was a long standing committee and the first time that it fell into disuse was when the Third Elected Member and the Second Elected Member for Bodden Town sat in Executive Council. And they talk about us being afraid of scrutiny.

The Public Finance and Audit Law were legislated by Members from this Executive Council in Government in 1985. We want proper scrutiny. What we do not want is witch hunting and misrepresentation of facts.

While being sick, I was out of the room sometime, but I tried to catch up. Believe you me, I have everything that has been said up to now before me and when I come back Monday morning, I will deal with it in greater detail. I never heard one of them suggest one area where Government could reduce its spending or increase revenue other than what we have done and when one is prepared to criticised one should be able to offer alternatives. All I heard from them was more, more, more spending.

Only yesterday the Third Elected Member for George Town during Question Time chided the Member for Tourism for not investigating and putting in place an extension to the run-way in the North Sound. He said it would obtain economies of scale based on the \$9 million worth of work that is being done there now. I am reliably informed that the engineers have costed that extension in a preliminary way at \$16 million and everyone of them who have been up have been asking for more, more, more! I will prove, as I progress, that this Government has only undertaken necessary and responsible expenditure.

The biggest capital budget ever brought to this House was brought by the Second Elected Member for Bodden Town and the Third Elected Member for George Town in 1984. Check the statistics! I am going to show a little bit more about 1984. It has to be done. You know, as far as I am concerned, given the times, this country is in good financial shape. They try to give the impression that the present Executive Council were fiscally irresponsible because at one time the surplus stood at almost \$20 million. In fact, the General Reserve balance was \$18.177 million. What they are obviously oblivious to is that it was in 1989 that \$6 million was transferred to Reserves to bring that up to \$18 million. This Government did it and when it was necessary to use those funds in 1990, to prime the economy, to provide the \$58 million multiplier effect into the economy this Government used \$7.8 million of it but at the same time we began another fund for the Civil Service pensions. Something that no other Government had ever had the guts to lift up the rock to see what was under it. This Government did it and as has been pointed out by the end of next year almost \$6 million will be in that as well which would have been surplus funds for any other Government but we took it out of that. That is fiscal responsibility.

The Second Elected Member for Bodden Town said one should never use surplus revenue to balance the budget or to finance capital projects. I have the final accounts of the Government for every year since 1970 and starting in 1982 that Member who must have been party to some pretty heavy usage on the use of surplus funds for investment and capital projects because in 1982, \$7.4447 million was invested in Cayman Airways from that source. And then they had the audacity to show it as an asset under shares in publicly held companies.

In 1983, they used \$1.89 million of Reserves for capital projects to balance the budget. This 1984 year that they like to boast about, Government had \$7.783 million in Reserves. Out of that \$4.5 million was hypothecated to Barclays Bank to secure the loan on the Tower Building. It is amazing how terminology changes.

I have a letter which is important. It is a public document, it was published in the *Caymanian Compass* in October, 1984. The Third Elected Member for George Town and the Second Elected Member for Bodden Town like to latch on to some question that was asked here towards the end of October in 1984 and those are the figures that they used and refused to use the 31st of December 1984 Audited Accounts which shows the true position. Elections were held on the 20th of November, 1984 and swearing in was sometime 10 or 14 days later, I believe. It gives an indication of how much time the new Government would have had to spend, and I have told them repeatedly that the only money that we spent was to pay bills for Cayman Airways to keep the planes from being seized and they have scoffed at it.

I also told them that they had spent either \$3 or \$4 million in loans on the Tower Building on an Advance Account that had not yet been drawn from CDB. The airport terminal building, there was nothing wrong with the procedure, Madam Speaker, quite normal to do that and then at the end of the project you submit to CDB your documentation and you draw down the loan. But do not try to say that that was not your loan.

This letter is signed by the Honourable Financial Secretary as a letter to the editor of the *Caymanian Compass*. It is in reply to a letter which appeared in the Caymanian issue of the 25th of October 1984, signed by Mr. Johnson, the former Financial Secretary. This was during the time that the Second Elected Member and the Third Elected Member for George Town were in Council so what I have been telling them all along and they have been skinning up their noses at they had to know it. It says:

"According to the Audited [1981] Accounts, the General Reserve balance was \$12,512,479 on 31st of December, 1981 and the surplus balance was \$8,533,337. The total then was therefore just over \$21 million. It was probably still much the same on 1st of April 1982 [when I took office]. Mr. Johnson was Chairman of Finance Committee in March 1982 when the Committee approved supplementary expenditure of \$14 million...to help Cayman Airways Limited."

Madam Speaker, you would swear that now at this present time, is the only time that Cayman Airways has got any help from Government. One fell swoop - \$14 million so continuing

with Mr. Johnson's letter.

"So on Mr. Johnson's departure the country had (as he said) approximately \$21 million in General Reserves and Surplus Balance, but (which, he failed to say) a commitment of \$14 million against the \$21 million leaving in real terms only \$7 million."

Mr. Johnson stated in his letter that two years after he left office the figure is down to \$4 million. He did not explain how he had calculated this and I am at a loss to know. The true position the Audited 1983 Accounts show is that the General Reserve was \$10,136,258 and the Surplus Balance was \$1,000,995 on the 31st of December 1983. A total of \$11,137,253.

There is no more recent Audited figure but the Treasury accounts which have been periodically examined during the year by the Audit Department indicate that the surplus was \$3.7 million at the end of August 1983. The surplus as 31st of December 1984 is therefore likely to be greater than it was on the 31st of December 1983 whilst the General Reserve should still be about \$10 million.

This is the important part now too, Madam Speaker, continuing in the letter.

"The only other factor which materially affects the position is that Government seems certain to have to help Cayman Airways later this year or early in 1985 by writing off over \$1 million owed to it and by making available perhaps another \$2.5 or \$4.3 million."

Hence, in real terms the amount likely to be left at the end of 1984, is between \$9 and \$10 million compared to \$7 million at the time of Mr. Johnson's retirement. I am also at a loss to understand how Mr. Johnson arrived at his conclusion that the Public Debt has increased to \$36 million. According to the 1981 Audited Accounts it was \$8,201,996 at the end of that year and according to the 1983 Audited Accounts it was \$9,090,383 at the end of 1983.

Further borrowings during this year (that is 1984) were \$4,583,333 for the purchase of furnishing, carpeting and partitioning of the Tower Building giving a total of \$13,673,716. From that must be subtracted 1984 repayments of \$439,034 leaving \$13,234,682. Government is likely to draw down later this year \$3.4 million on a Caribbean Development Bank loan in respect of the Owen Roberts Airport Terminal Building so the Public Debt is likely to be about \$16.6 million at the 31st of December, 1984.

Mr. Johnson may have inflated that figure by treating as debts what were in fact guarantees. Debts, of course, represent money which the Government itself has borrowed and must repay. Guarantees cover borrowings by others like Cayman Airways and Caribbean Utilities Company. In such cases the others concerned are responsible for repaying what they have borrowed. Government would only be affected if they defaulted. The guarantees so far given total \$16,090,000. This country is in a sound financial position.

Guarantees did not constitute borrowing when the Second Elected Member and the Third Elected Member for George Town were part of Government and Executive Council. But today when those guarantees represent solid performing public institutions like the Port Authority, the Water Authority and Civil Aviation, they suddenly become a big debt on Government and must be counted in Government's debt and that is the figures they put together to get \$43 million.

If the Budget is examined, it will be seen that in 1992 it is estimated that each of those Authorities that I have mentioned will contribute surplus revenue to Government in addition to repaying all their loans. Something that Cayman Airways has never been able to do. Yet, that is a big concern to them now. Guarantees have suddenly become loans for Government. I said that what I was saying there would not be much in it for anybody to contradict or be able to speak on and I do not have any fear of being successfully contradicted on this. Government, is in a sound financial position.

If one were going to treat those public corporation loans as a Government loan direct or as a Government liability above the line, then we would have to calculate and determine the percentage of revenue used to pay those commitments. We would have to bring in to account all of the revenue of Civil Aviation Authority, the Port Authority and the Water Authority. The Budget would be inflated by another, at least, \$25 or \$30 million conservatively.

As I said, I have not heard any suggestions on how to save money for Government. The criticism of the Civil Service reminds me very much of the situation with domestics from overseas. Everybody knows we have too many in the country, but nobody is prepared to give up theirs. It is always the person next door who does not need theirs as badly. Even the Auditor General, bless his soul, advocates reducing the Civil Service, but I have seen tears all over his reports complaining that his Department was not properly staffed and at last he is singing hurrah because he got all his staff. In other words, he needs his staff to get his work done but everybody else will make do with what they have. Same as the domestics.

I do not believe that there are too many departments in Government that are over staffed. I am not saying there are not a few, but by and large the civil servants are a hard working group. But we are in a service industry in this country and if we are going to give service we have to put the bodies there to do it. This Assembly's office is a good example of what I mean. We recently added some staff here but this morning I was able to go in to the office and get the verbatim reports of everything that had been said in this House up until yesterday. We had never been able to do that before but I maintain that if Members in here are going to be able to do their job effectively it is necessary that we have this level of service. And I am sure there will be those who would say that we have got too much staff in here too, when they are working some nights until 8 o'clock and later.

When a prospective investor is looking at the Cayman Islands (or anywhere else) to locate, their decision to locate here is based on the level of service that they receive on their exploratory visit. If they go in to Government and ask for statistics and accounts and they are promised them in the mail and they never arrive, do you think they will register a company here or do business? We have to keep up with the work. Coupled with that, this Government has spent more and is spending more on training in the Civil Service than has any other Government. I am seeing the effects. I can go through the offices and see it.

I had hoped to leave this presentation until I was able to do a little bit more research, but I want to touch on what Members have referred to disparagingly as the hospital in the pond. Sixteen or seventeen years ago I was the Member responsible when the present Hospital was renovated. We had a study done of the demographics of the country and a plan was produced. That plan envisaged a 90 bed new hospital, not what we have there now, a new unit of 90 beds by 1990. It is interesting that the consultants who did the last study have again identified 90 beds. So that figure in 1973 (or whenever it was done, 1974) must have been very accurate. At that time we did what we could with the money that we had. We gutted out the old hospital and built what is now the in-patient wing as a temporary measure. It was understood that that would be a holding measure because we had to economise in building. We could not afford the luxury of having two sets of pipes and hall ways. We had to put one central service road down the middle of the building, in which was laid all of the sewage, water, oxygen, suction pipes and the electricity. Everybody could get in and repair if anything went wrong. Even some of the air-conditioning ducts went up there.

Then 15 or 17 years ago what is being said today to be adequate, was inadequate to the same people who are now saying that. When I did that I was wasting money. Some of the beds were left-handed! If it was inadequate 15 years ago for 15,000 people and less than a 100,000 tourists, with one flight coming in to the country every other day, must it not be insufficient and inappropriate for 27,000 people, 250,000 tourists per annum plus ships, bringing it up to over half a million with four and flights coming in to this country every day with a possibility that we need the hospital in case of a serious emergency? Anybody who says that this Island does not need a new hospital has to be talking with their tongue in their cheek.

This story about private people doing the hospital, the files up at Government House are filled with letters from those same people about building a private hospital. You give them one year, you give them two years and they will not do it. If this country is going to succeed as a tourist destination and financial centre and a place that will attract retirees, then we have to get proper medical facilities. In addition, our Caymanian people deserve better than we have. I do not share the mentality that Caymanians want to go to Miami to have a buck toe treated.

You know what is interesting? The Third Elected Member for George Town yesterday was ridiculing this Government, and the Member for Health in particular, for getting studies done and not following them. If that Member had followed the plan which he found in place in 1976, this Member would not have to use reclaimed land to build a hospital now because that plan had presented an option that would have had space for the 90 hospital beds. Instead, the plan was scrapped and buildings were put hodge podge all over the place and today you cannot put the 90 beds there in a fashion that is acceptable to modern planning. That is the situation. I will get back to the consultants later.

The piece of land the Member proposes to use was appropriate from a location point of view and Government owns it. I want to know how many stretches of land, 17 or 27 acres, whatever it is, in one place are available in Cayman within an acceptable area which we will not have to fill? Filling land is nothing new and building on it. Some of the best buildings and homes in Cayman are on reclaimed land. It is my opinion that those people who fight that proposal do not have the interest of the average person in mind, and they lack the vision to see the importance of proper medical facilities in the scheme of our development.

It is my opinion that a proper hospital would have meant more to our tourism and financial services development if it had been built in 1983, 1984, rather than the Airport Terminal Building. We could have gone on with a less grandiose (the word they like to use) and a more functional building, as nice as it is. But the American visitor, in my view, would have tolerated a less elaborate airport and felt very much more secure with a better medical facility. They are talking about Government getting its priorities right?

Having said all of that, this Government is prudent, practical and when it comes time to consider the financing of that project we are going to have a serious look at it, but it does not take much imagination to see that that facility can pay for itself if properly operated.

It is my understanding that this year Government will spend \$2.3 million, that is 1991, underwriting or lending people money to go to doctors in Miami - people who need to go but cannot afford to go, not on a cash basis. So Government advances the payments. Half of that plus the new business will finance \$18 million over 20 years easily and what is more, the money will stay in Cayman. Those of us who never had the misfortune to have to go to Miami will be able to get good service here when we need it. I believe it is possible and we will publish the details when we go to finance it and do it. We will have to come back here to ask for the money, which brings me to the point of the Members claiming that this Budget is incomplete because it does not have that in it.

Do they find the \$9 million that is being spent on the airport in the Budget? No, because that is the responsibility of the Civil Aviation Authority and, in the same way, the Health Authority is going to come into force on the 1st of January and it will be the responsibility of that Authority. That is no big secret. That is why it is not in here. No slight of hand, Madam Speaker.

The consultant's plan for the Development of Medical Facilities on the present Hospital site, which the Third Elected Member for George Town discarded, is not the only report they paid for and discarded. What about the Laventhall and Howarth Tourism Development Study that never saw the light of day because it did not coincide with their views? I found three or four reports in the Education Portfolio that were never shown the light of day. I doubt that they were done for free but I do not know of any consultancy

that this Government has had that it has not been able to accept. That is the difference. The only consultancy that came under fire was the one that the Member for Health had that the Backbench thought they could do a better job.

While on Medical Services, the Third Elected Member had a big spiel about this million dollar contract with Cleveland Clinic in Fort Lauderdale and according to him it should have been tendered. I have looked at the Auditor General's Report from cover to cover and I do not see that in there. The Auditor General did not make an exception in his Report to that arrangement, and for good reason; because there is no one incident involved in that that passes the limit that requires tendering. I do not know if the contract even has an upper limit on it. I imagine that there is the limit at which those people were cut off and will not give you anymore credit. Those are individual accounts for individual patients. Yet, I understand from the Member that there is a ceiling of \$10,000 per patient in the first instance and if the case is a serious one and needs more money then Government considers it and will give it the increase. And they come here talking foolishness about sleight of hand.

I am going to leave that until Monday because I want to put it in good language but I have a few admonitions to put down up in here and I want to do it in good language so I do not want to do it this afternoon. So some people had better not tempt me.

MADAM CHAIRMAN: Would you take a suspension at this time?

HON. BENSON O. EBANKS: Yes, Madam Speaker, I would like a cup of coffee.

MADAM CHAIRMAN: The House will be suspended for 15 minutes.

AT 3:38 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 4:02 P.M.

THE SPEAKER: Proceedings are resumed.

HON. BENSON O. EBANKS: Madam Speaker, I mentioned earlier that it was expected that Government charges for services would be for the full cost and I would just like to read one chapter from the Auditor General's Report for 1990.

"The lack of direct taxation is a feature of Government's fiscal policy which is unique and has attracted much attention. It has undoubtedly contributed greatly towards the economic success our Islands have had in recent decades and encouraged our thriving financial services industry. This combined with Government's continued commitment to a "balanced" Budget policy, places great importance on how Government Recurrent Revenue is raised and places some limits on how much may be spent annually on good, services and capital projects. In the main, Government annual recurrent revenues are provided by import duties, licences, various sales taxes and various other categories of fees and charges. The fees and charges are made for the services provided by the Government to the public so that the direct users and benefactors from these services actually pay the full costs of providing the services."

That is the basis on which Government operates. It is expected that the services will be priced at a fee that will cover their cost. So when Government has taken the decision to charge \$5 for a certificate, for example, a police clearance when somebody wants to get a visa waiver. That has gone from \$2 to \$5 or is proposed to be that. In today's economic terms that cannot be considered excessive. I doubt that that more than covers the cost.

That is the case throughout. It will be found here in this Report that garbage collection fees are about 50 per cent of the cost and what is even more enlightening is to find that less than 50 per cent of the fees in respect of private households have been paid for.

In the case of Planning, fees amounted to about 10 per cent of the cost of running that department. It was felt that it was time that that department earned its way and they have recommended fees, which I believe in the final analysis are reasonable and will tend to cover a greater proportion of the cost.

There are those who would argue that Planning Fees is not the way to go, we should charge Impact Fees. It is my view that in some ways we already have a bit of an impact fee on large developments. Large developments over a certain size are required to set aside something like five per cent of the land or pay an equivalent fee based on the improved value for public purposes. What is possible is that the law did not go far enough or is not explicit enough to say how that land should come in to the public's ownership. Recently I have been doing some research and there are several of those parcels around and we would hope that the mechanics of having them transferred for public use can be achieved. It is my hope that when I go to build a school next, I will be able to do it on a piece of land provided in such a way.

Impact fees in my view are suitable where that is basically the only way that the community gets money out of a development. For example, taking the United States, it manufactures its own building material so there is no import duty on that. But, we have to ask ourselves in our situation whether it is better for us to insist that a developer pays a lot of money per lot to have his development in a subdivision approved and which might stop the development if the impact fees are too excessive, or, whether it makes more economic sense to charge a realistic fee, as we are proposing now, on the development? Then

Government benefits from import duty on the material that comes in to build that house, on the food and alcohol that is consumed by the people who come in to live in it and since those lots will be sold and resold Government will get its Stamp Duty each time it changes hands. I believe that we have to strike a balance between oiling the wheels of development by not being too excessive in fees and catching our income in the traditional ways. After all import duty accounts for something like 40 per cent of our revenue.

On the question of the increase on diesel. I have heard some Members express the view that the people that they are concerned for in that regard is operators of the transport vehicles. My concern extends to the average person who might have a 13 per cent increase on their electricity bill. I believe that the transport operator if he is impacted severely will have a way of dealing with that.

If one looks at it in the broad sense, that is the total cost of electricity production in the country, to a large extent is paid for by visitors. The point I am making is that the households in Cayman could not maintain an electricity service at the level and quality which we have in Cayman. The big users of electricity are the hotels and condominiums. While I regret the impact that is being made on the local people I think we have to accept that it is one of the few areas where a portion of the impact could be placed somewhere other than on the local economy totally. Transfer of capital again, in to the economy, not out.

The Budget Address included the statement about the divergence of revenue and expenditure. As I said earlier, I have not heard any specific suggestions from the Backbench or anyone else how we are going to really reduce expenditure. Therefore, the only other way if we cannot reduce expenditure to get those to come together is by increasing the revenue. Since that revenue, as has been shown, goes back into the local economy and will keep people employed, then I think it is a move that has to be supported.

That argument goes further than just what is paid for services locally. One of our reasonably large commitments is advertising and promotion for tourism. Some of that money goes in to that and the Member for Tourism and his department has done a fantastic job in attracting tourist to this country. We have had a better season than has Florida or California. Two states in the United States that depend almost exclusively on tourism as well and we have held our own. Our decrease has not been as great as theirs, as I understand it, and that cannot be by accident. That is because we are spending money and spending it in the right place to attract people and Members must understand that when they advocate reducing expenditure on areas like that they are advocating a reduction in tourist arrivals.

We do not have to think long or hard to picture what a serious fall off in tourism will mean in this country today. We experienced a considerable fall off in February this year which is normally our biggest month but because of the conflict in the Middle East, it was low. I am glad that the recovery was quick and decisive and that recovery was not accidental. The Member and his department went to work immediately and pumped a lot of advertising dollars in to get the tourists here. Some countries, as I understand it, cut back their advertising budget at that time believing that there was no point in advertising. The Cayman Islands said no, we are going to hold the course and it paid off handsomely.

I am saying all of this to say that Government has to have revenue to operate. I do not know of the type of economics as preached by some people that seem to believe that you can get something for nothing. All I have heard is shopping lists but nowhere has anybody come up with an idea of how to get the money different from what Government has suggested.

The truth of the matter is that those Members know full well that what I am saying is true that Government can only give back to its people what it takes from them in revenue measures. They know that, but it is politically expedient to portray the Government as villains and just sit back and catch the goodies as they fall and then go and tell the constituents you see how good we are, you see what we are doing for you and have never voted for a dollar in their life as income.

I was asked the other day whether we had a behavioral psychologist under Special Alternative Education Programme. I said, well you know we have an Education Psychologist and I would think they have some training but I was looking through a magazine last night and I have found a new definition by psychologists for some people and they are called defunct people. The article explained that these were people who sit in the grass and croak, crumbling all the time with their tongues out, they do not do anything but crumble and then when the fly pitches on it they suck it in and they have got their meal. The psychologist call that the frog man mentality. And there are humans like that, I thought it was so appropriate.

We have examples in here where no effort really to get the money to do what one has to do but demand services all the time and then when something is done, running out and taking the credit for it. Happens all the time!

Finally, I want to say that it seems to me very odd that so many people could have read this Budget Address or listened to it I mean the people on the other side, and all missed that sentence which said that after examining all of the statistics and aspects of the economy the conclusion was that the financial affairs of this country have been fairly well managed. Nobody seems to have noticed that. I think it is important because the Honourable Financial Secretary went to great lengths to explain the tests that had been placed on the performance and though the results of those tests were that the economy had been fairly well managed and yet I think that the Financial Secretary was too modest in putting it in that form. I believe he could have said it had been very well managed.

I said earlier, and I think it is a credit to the financial management of this country that we have been able to fair so well in these difficult times. As the *Caymanian Compass* said a few days ago, all might not be well but in the final analysis Caymanians should sit down and count their blessings.

One of those blessings is not the promise of the Backbench as an alternative to Government. I believe that when Caymanians sit down to do that thinking, they will reflect carefully

and remember that only last year the Backbench would not agree to revenue measures. Now they are complaining for 1992 that we propose, if the necessity arises mind you, we have not done it yet, to use some of the reserves of \$3. + to balance the Budget, yet last year they were advocating that we pay every penny of the civil servants award from that same account. Some \$7 or \$8 million. In fact, some of them, instead of the 22 per cent wanted to give 25, and the source of financing was from General Reserves. That was the admonition we received. Check the Hansard.

That is not the type of leadership this country needs and I know that my people know better so they need not tap themselves in the chest and get on over there like they already had this seat. They first have to stand the scrutiny of the Caymanian public and I have faith in the Caymanian electorate.

They way they get on you would think elections had been last week and we were interlopers in here. Caymanians will know what to do when November 1992 comes. They will remember that in the Financial Secretary's Address this year he said that the finances of the country had been very well managed, that the economy was driven by Government's increased expenditure and that by this year it was worth \$58 million in the economy. Money that would not have been here if it had been left to the Backbench.

By then they will also see the effect of the revenue measures that are being raised this year to be spent between now and next year. And, some of them, at least the civil servants will have handled some of that personally and every last person in Cayman will have handled some of it. The merchants, the gas station operators, you name it. That money will have trickled down.

The Third Elected Member for George Town tried to put across that Government had used it to print money. That is not what it said. It said the multiplier effect of 4 to 1 which is the generally accepted economic principle.

When the Financial Secretary finished delivering his Address on Friday, two weeks tomorrow ago, I told these Backbenchers that they should go out and get that speech explained to them by a first rate economist. They did not accept my advice and that is why they have come in here with their voodoo economics and all of the outlandish theories.

**MOMENT OF INTERRUPTION - 4:30 P.M.
STANDING ORDER 10(2)**

THE SPEAKER: It is now 4:30, Honourable Member.

HON. BENSON O. EBANKS: Thank you, Madam Speaker.

ADJOURNMENT

HON. THOMAS C. JEFFERSON: Madam Speaker, it is agreed that on Friday afternoon we should adjourn at 4:30 so I move the adjournment of this Honourable House until 10 o'clock Monday morning.

MADAM SPEAKER: 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.

MADAM SPEAKER: The Ayes have it. The House is accordingly adjourned until Monday morning at 10 o'clock.

AT 4:30 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., MONDAY, 2ND DECEMBER, 1991.

**MONDAY
2ND DECEMBER, 1991
10:07 A.M.**

MADAM SPEAKER:

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 II, 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 Speaker of the Legislative Assembly, 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.

Let us say the Lord's prayer together:

Our Father who art in Heaven, Hallowed be Thy Name, Thy Kingdom come, Thy will be done 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.

MADAM SPEAKER:

Please be seated. Proceedings in the Legislature are resumed.

Presentation of Papers and Reports. The Housing Development Corporation Report for the Year Ended 30th June, 1991. The Honourable Elected Member responsible for Health and Social Services.

PRESENTATION OF PAPERS AND REPORTS

THE HOUSING DEVELOPMENT CORPORATION REPORT FOR THE YEAR ENDED 30TH JUNE, 1991

HON. D. EZZARD MILLER:

Madam Speaker, I beg to lay on the Table of this Honourable House the Housing Development Corporation Report for the Year Ended 30th June, 1991.

MADAM SPEAKER:

So Ordered.

HON. D. EZZARD MILLER:

Madam Speaker, the year ended 30th June, 1991 was a very significant one for the Housing Development Corporation. I am especially pleased to be presenting the Corporation's Annual Report and Financial Statements for that period.

The year under review was a historic one for the Housing Development Corporation in a number of ways. Firstly, the dollar value of Home Mortgage Loans Approved for low to middle-income Caymanians by the Corporation during the year passed the \$1 million mark for the first time since the inception of the Corporation. The actual dollar value of Mortgage Loans Approved amounted to \$1,024,382.

The Corporation also made history during the year under review with a total value of its Mortgage Loan Approvals passing the \$3 million mark. At year end a total of 85 mortgage loans amounting to \$3,463,782 had been approved. The Corporation also made history in terms of the number of loans approved during the year. The 20 loans approved exceeded by 17.6 per cent the number approved in 1989 and 1990 which was of itself a record.

In order to fully appreciate the significance of the year's performance it might be worthwhile viewing it against what was accomplished in the previous six years of the Corporation's existence. When viewed from that standpoint it will be seen that the value of loans approved during 1990-1991 was some 42 per cent of the amount approved in the previous six years of the Corporation's existence.

Insofar as its financial operations during the period under review are concerned, the total assets of the Corporation increased by \$236,118 to \$3,422,124. At the same time, its short-term investments decreased by \$346,306 to \$536,060 reflecting a reallocation of resources to loans receivable which increased by \$225,215 to C\$2,211,226. The Corporation recorded a surplus on operations for the year of \$77,730. This surplus was \$2,217 less than the amount recorded in the previous year. The shortfall was due to the general decline in interest rates between 1990 and 1991 which resulted in interest earned by the Corporation

in 1991 decreasing by \$14,061 as compared to the previous year.

On the brighter side the Corporation's cash and cash equivalence on hand at the end of 1991 increased by 105 per cent to \$633,965 over the previous period.

From all indications the Corporation "turned the corner" in the 1991 financial year. The challenge that it faces for the future is being able to maintain the head of steam that was generated during 1990-1991. If this momentum can be maintained, the Corporation will, over the next three to five years, establish the kind of presence as a provider of low to middle-income mortgage financing that would truly justify its existence. From my point of view the greatest single threat to the Corporation's ability to maintain this momentum is lack of capital. Without new capital the Corporation will not be able to even match last year's performance in terms of Mortgage Loan Approvals, let alone surpass it.

From its very inception, the Housing Development Corporation was never properly capitalised. Members will recall my pointing out in my presentation statement last year that apart from the start up capital of C\$137,000 that was injected into the Corporation by Government, the Corporation has received no further capital injection. Of the Corporation's total capitalisation of \$3,349,055 only 4.09 per cent is directly attributable to Government.

While I have to acknowledge that Government has provided staffing for the Corporation, funded some of its housekeeping expenses and guaranteed debentures issued by the Corporation, the fact remains that Government has to set an example in terms of its own capital contribution to private individuals and institutions who are being invited to purchase the Corporation's debt.

Government should not appear to be saying to these investors, "Do as I say, but not as I do." The failure of Government to adequately subscribe to the capital of the HDC is not consistent with Government's expectation that the Corporation will not only provide funding for home mortgages for low to middle-income Caymanians but provide these mortgages below market rates.

I pointed out in my statement last year that there was no way that the Corporation could continue to lend its funds below market rate in the absence of an injection of equity capital by Government. I also pointed out that such an injection would have had two principal, beneficial effects. One, it would increase the pool of lendable funds available to the Corporation and two, it would put the Corporation in a position to lend its funds below market rates by virtue of being able to mix equity capital with capital raised from subscriptions to the Corporation's debentures.

I went on to point out that in order to achieve this goal I would recommend that an amount of at least \$200,000 per annum be injected as equity capital into the Corporation by Government from 1992 to 1996. My Portfolio has acted on this recommendation and it is my hope that the funds will be forthcoming pending budget restrictions. It goes without saying that the Corporation's total capital requirements far exceed the \$200,000 per annum which I have just mentioned. In other words the amount of capital which is being sought from Government is only a small fraction of the total requirement.

Having regard to that, injecting the \$200,000 requested is the very least that Government could do if it was serious about its commitment to facilitating the development of housing for low to middle-income Caymanians. Having said what I am expecting Government to do for the Corporation, I would like to say what the Corporation has been doing for itself in order to raise capital.

Up to the end of the period under review, the Corporation had raised a total of almost \$3 million in two debenture offerings, \$1.2 million from the first and \$1.8 million from the second. The second offering which is targeted to raise US\$5 million is still open for subscription. The Board and Management of the Corporation are doing everything in their power to stimulate demand for the debentures. In fact, I was present on 29th October, when a presentation aimed at outlining the investment appeal of the Corporation's debentures was made to senior managers in the banking industry by the Chairman and two members of the Board. Similar presentations have been made to senior managers in the insurance, accounting and legal professions last Tuesday.

Whereas the first debenture offering carried a yield of 5 per cent, the yield of the second is 7.5 per cent. The latter figure is becoming increasingly competitive in the current interest rate environment where 30-year US Treasuries are yielding less than 8 per cent. I am therefore hopeful that the Corporation will be successful in achieving its subscription goals of \$5 million.

To sum up the Housing Development Corporation is now at a crossroads. It can either move on from here to become a significant player in the housing development finance business or continue to operate on the fringes. Government's own commitment to facilitating the development of housing for low to middle-income Caymanians can be judged in terms of what it does in regard to the capital dilemma which faces the Housing Development Corporation.

Madam Speaker, I would like to take this opportunity to express my gratitude and appreciation to the Chairman and the Board of the Housing Development Corporation for their hard work in trying to achieve the aims and objectives of the Housing Development Corporation. I must also express my sincere thanks to the manager and staff of the Housing Development Corporation for their hard work also in trying to meet the demands of the Board in trying to reach its aims and objectives.

I would also like to take the opportunity to publicly thank those institutions, which are part of the Report and listed in the Report, who have subscribed to the Housing Development Corporation and to once again appeal to those who have, to consider increasing their subscriptions. More importantly to appeal to those who have not and ask why not, because I believe a subscription to the 7.5 per cent debenture of the Housing Development Corporation is a very small percentage in financial terms but very significant in the results that it can have by these institutions in contributing to the social and economic development of the Cayman Islands in which they are enjoying successful operations year after year.

Thank you very much, Madam Speaker.

MADAM SPEAKER: The Third Interim Report of the Select Committee of the Whole House on Code of Ethics and Conduct for Legislators. The Honourable the First Official Member.

**THIRD INTERIM REPORT OF THE SELECT COMMITTEE OF THE WHOLE HOUSE
ON CODE OF ETHICS AND CONDUCT FOR LEGISLATORS**

HON. THOMAS C. JEFFERSON: Madam Speaker, I beg to lay on the Table of this Honourable House the Third Interim Report of the Select Committee of the Whole House on Code of Ethics and Conduct for Legislators.

MADAM SPEAKER: So Ordered.

HON. THOMAS C. JEFFERSON: Madam Speaker, the Select Committee on Code of Ethics and Conduct for Legislators was established on 12th September, 1989 upon the unanimous passing of Private Member's Motion No. 19/89. That motion read:

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 business;

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 the Members of this honourable House."

The motion was moved by Mr. McKeeva Bush, MLA, First Elected Member for West Bay and seconded by Mr. Roy Bodden, MLA, who was the First Elected Member for Bodden Town. At the same meeting of the Legislative Assembly held on 12th September, the Presiding Officer, in accordance with provisions of Standing Order 69(2), nominated the Honourable Thomas C. Jefferson as the Chairman of that Select Committee.

The resignation of a Member on 1st May, 1990: Mr. Franklin R. Smith, tendered his resignation as a Member of the Legislature. Mr. Smith was replaced by Mr. G. Haig Bodden following a by-election held in the electoral district of Bodden Town on 30th May, 1990. Mr. Haig Bodden was sworn into the Legislature on Monday, 11th June, 1990.

The Select Committee has thus far held three meetings. Thursday, 2nd November, 1989, Wednesday, 3rd October, 1990, and Monday, 4th November, 1991. Two Interim Reports have been laid on the Table of the House, the first on 27th November, 1989, and the second on 22nd November, 1990. In accordance with the provisions of Standing Order 72(1) of the Legislative Assembly, the Select Committee wishes to report that it has been unable to conclude its deliberations prior to the end of the 1991 Session.

It perhaps should be noted that the Committees' deliberations have been in abeyance as a result of the work undertaken by the Select Committee established to review the Cayman Islands Constitutions Order, 1972, during 1990 and 1991.

The Select Committee wishes to note that the Report of the Select Committee established to review the Constitution recommended a constitutional provision for a Register of Interest namely that;

1. The register shall only prescribe the registering interest;
2. the register shall apply to all Members of the Legislative Assembly, Elected and Official and;
3. the Legislative Assembly shall cause the passing of legislation in respect of a register of interest as and when deemed necessary.

However, the Committee considers that intention of the Resolve of No. 19/89 is that an appropriate written Code of Ethics and Conduct for Members of this House be recommended. It is the view of the Committee therefore that the proposed Register of Interest will not provide a written Code of Ethics and conduct and so it is that it will, following this meeting of the Legislature, continue to sit and deliberate upon written guidelines for such a Code.

Various legislation and documents of Federal and State Parliaments of the Commonwealth and of the United States are before the Select Committee for consideration. The Select Committee agrees that this Report be the Third Interim Report to be laid on the Table of this Honourable House during the fifth meeting of the 1991 Session of the Legislature.

Thank you, Madam Speaker.

MADAM SPEAKER: The next item on today's Order Paper, Questions - Deferred Questions. Question No. 238, standing in the name of the First Elected Member for West Bay.

QUESTIONS TO HONOURABLE MEMBERS DEFERRED QUESTIONS

THE FIRST ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE

NO. 238: Can the Honourable Member say what is the total amount owed by Cayman Airways Limited inclusive of loans, overdrafts and accounts payable?

ANSWER: According to the audited financial statements of Cayman Airways Limited for the period ended 30th June, 1991, the total liabilities were as follows:-

Bank overdraft	US\$ 6,497,479
Accounts payable & accrued expenses	11,199,024
Spare engine (to be financed)	2,800,000
Unearned transportation liability	3,916,476
Current portion of long-term liabilities	238,529
Long-term liabilities	146,521

Total	US\$24,798,029
	=====

Since that date the accounts payable have increased by approximately US\$2,400,000.

Madam Speaker, if the House would allow it I might explain that the reason I asked for the deferral of this question originally was that I had hoped to be able to table the accounts of Cayman Airways around the same time so that it would present more of a balanced financial position of the airline. However, I am not yet ready to table those accounts but would expect to do so before this meeting has been completed.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementary. The First Elected Member for West Bay.

MR. W. McKEEVA BUSH: Thank you. Can the Honourable Member say what is the position with the GPA lawsuit and whether that has any bearing or would have any bearing on accounts payable?

HON. W. NORMAN BODDEN: Madam Speaker, the accounts payable that I have given out would include the lease/rentals of the aircraft owed to GPA. In regards to the lawsuit which was filed in London, I would just say that in regards to that there are negotiations continuing between Cayman Airways and GPA.

MADAM SPEAKER: Supplementary. The First Elected Member for West Bay.

MR. W. McKEEVA BUSH: Thank you, Madam Speaker. Is it not a fact that there was a judgement entered against GPA for \$3.3 million? Does that have any bearing on the \$24,798,029?

HON. W. NORMAN BODDEN: Madam Speaker, I would not be able to say exactly what amount it would have but there probably would be some increase because even though this amount I have given to the House includes the rentals on the aircraft which Cayman Airways would have to pay in any case and the judgement related to back payments due for aircraft lease, I imagine the judgement would involve other added costs which would be added to this amount.

MADAM SPEAKER: The Second Elected Member for Bodden Town.

MR. G. HAIG BODDEN: Madam Speaker, may I ask the Member with regard to the financing of the spare engine. Some while ago he gave us a breakdown of how they had spent \$11.5 million and one of the items in that was the purchase of a spare engine. Can I ask him now why they have to finance this engine if it is the same engine that they purchased out of the money from the sale of the 727s and why they are financing it now?

HON. W. NORMAN BODDEN: Madam Speaker, I am not sure and I doubt very much that the details I gave as to how the money was spent included the engine. I do not have that information with me but my recollection is that it did include security deposits and it included investments the company had made in aircraft spare parts. I do not know that it included the engine because it was my understanding from the beginning that the engine would have to be financed and I thought that was made clear.

MADAM SPEAKER: The First Elected Member for West Bay.

MR. W. McKEEVA BUSH: Thank you, Madam Speaker. Can the Member say whether these totals include the payments to the oil companies and to the Civil Aviation Authority?

HON. W. NORMAN BODDEN: That is correct, Madam Speaker. This amount would include all outstanding debts as of that date to Texaco and other companies including the Civil Aviation Authority.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. So is it correct then that the \$12.5 million which was received for the sale of the 727-200s has been spent and there is still this \$24.7 in liabilities?

HON. W. NORMAN BODDEN: Madam Speaker, I think the Third Elected Member for George Town asking that question has said time and time again in this House that in his view the money received from the sale of the lease on the 727 has been used up. I said a while ago portions of it were used for investments in spare parts. I think it was set out very clearly, I believe, in Note 11 of the last tabled accounts exactly how the money was used.

MADAM SPEAKER: If there are no further supplementaries, the next question is No. 254, standing in the name of the Third Elected Member for George Town.

**SECOND DEFERMENT OF QUESTION NO. 254
Standing Order 23(5)**

HON. BENSON O. EBANKS: Madam Speaker, that question is addressed to me and under Standing Order 23(5) I would request leave of the House to defer this for yet a later date in this meeting as some of my staff were ill during last week.

QUESTION PUT: AGREED. STANDING ORDER 23(5) SUSPENDED TO ENABLE QUESTION NO. 254 TO BE DEFERRED.

MADAM SPEAKER: Government Business. Continuation of the Debate on the Budget Address. The Honourable Elected Member for Education, Environment, Recreation and Culture continuing.

GOVERNMENT BUSINESS

BILLS

SECOND READING

THE APPROPRIATION (1992) BILL, 1991

**CONTINUATION OF DEBATE ON THE BUDGET ADDRESS DELIVERED BY
THE HONOURABLE FINANCIAL SECRETARY ON 15TH NOVEMBER, 1991**

HON. BENSON O. EBANKS: Madam Speaker, if you notice that I have a lozenge in my mouth. so it is not bad manners or disrespect it is in the hope that I will be able to continue speaking for my allotted time.

Madam Speaker, on Friday I dealt in a rather broad brush fashion with the economy and I responded in like fashion to the charges of fiscal mismanagement made by the Opposition Members who spoke. Today I propose to deal in much more detail with this. I will compare the anticipated out-turn of the 1991 Budget with what that out-turn was in previous years so that it will be clearly seen who are the irresponsible people in this Legislature.

Madam Speaker, there is no significant differences between the 1991 Revenue as estimated one year ago and the Revised Revenue position for 31st December, 1991. In fact, in total it is on target as the Revenue projected. These figures have been checked and re-checked by the Finance Department staff. There is of course a slight underachievement as has been highlighted in Revenue Stamps to the extent of some \$892,000. However, as this figure is most difficult to estimate, it is not impossible that that figure could improve also before year end depending on actual sales of land and other transactions in real estate by that date.

In any event, Madam Speaker, that underachievement is more than compensated for by improvements in other areas of the Revenue. For example, bank and trust licences are more than budgeted by \$155,000. Work permit fees are more than budgeted by \$300,000. Lease of Crown Lands is more than budgeted by \$840,000 and the Agricultural Department fees for example are greater than budgeted by \$40,000 and so on. So that the final out-turn of the Budget is bang on target, as I said.

Madam Speaker, a quick look at the Budgeted Revenue for

1992 will show that this is realistic and it will be interesting to see how those people who last year called the 1991 Budget a "stretch-to-fit" budget will deal with it now that it has performed so well. Permit me to draw attention to the Budgets of 1983 and 1984 and to their out-turn, to really demonstrate when this country's finances were in a shambles.

There is no doubt in my mind that this Government has been much better managers of the country's finances than were the Second Elected Member for Bodden Town, the Third Elected Member for George Town and the Elected Member for East End when they were in Executive Council. If we examine the 1983 Budget it will reveal that Import Duty for 1983 was estimated to be \$18,700,000. Realised or Actual was \$18,106,077, a shortfall of \$593,923. Insurance licences were budgeted at \$1,300,000 and the actual collected was \$1,068,271 for a shortfall of \$231,729. Revenue Stamps, that is land sales was budgeted to be \$6,250,000. The actual collected was \$5,899,907 for a shortfall of \$350,093. Company fees were budgeted at \$7,500,000 and the actual realised was \$6,435,280 for a shortfall of \$1,064,720 and so the tale goes on.

In 1984 the picture is even more gloomy. The 1984 Budget estimated Import Duty to be \$19,800,000 and actual was \$18,912,197, a shortfall of \$887,803. Revenue Stamps, the sale of land stamps again was budgeted at \$7,500,000 and \$5,669,383 was only collected for a shortfall of \$1,830,617. Company fees were again estimated at \$7,500,000 and realised \$6,385,778 for a shortfall of \$1,114,222. Tourism accommodation tax was estimated at \$1.1 million and it realised \$951,620 for a shortfall of \$148,380. Banks and trust companies licences budgeted at \$4,625,000 realised only \$4,530,750 or \$94,250 shortfall. Madam Speaker, in total in 1984, 9.15 per cent projected revenue was unrealised.

The Second Elected Member for Bodden Town in his contribution said - before I get to that I want to point out that if anyone has been following these figures they would see that insurance licences for example, in 1984 were less than collected in 1983. Not only did it misbudget, but it was less than the year before. The same is true for revenue stamps and company fees. The economy was in a tailspin and then these Members talk about their management and how well off the country was.

Madam Speaker, as I said the Second Elected Member for Bodden Town in his contribution said that reserves and loans should never be used to balance a budget. I cannot dispute the desirability of that admonition but he should have practiced what he preaches because the Government of which he and the Third Elected Member for George Town and the Member for East End were Members used reserve funds and loans to balance each budget that they were involved in from 1982-1984. It might have gone on before that and I believe it did but I did not have time to check any further back. In 1982, \$3,441,681 from Surplus Account or Reserve Account was used and the difference is that it did not come out for everyone to see as has been done this time. It appeared under Contributions. They call that making a contribution.

In 1983 the Budget showed a \$10 item under Contributions from transfers from General Revenue and the year ended with \$1,989,924 being transferred from the Reserve Account. Even with that the year ended in a deficit.

Madam Speaker, in 1984 when I gave those large Budget Revenue shortfalls earlier they really went to town on both Loans and use of Reserves. A Budget which started out showing \$1.5 million to be spent from General Reserves and \$4.596 million from Loans ended up consuming \$3.362 million of the Reserves and Surplus and plunging the country into debt to the tune of \$7.548 million for that year.

In 1984, 19.61 per cent of Total Expenditure of this Government was financed by Loans, Surplus and Reserves. It is significant that up to 1990, 1984 was by far the largest amount of money borrowed in any single year by the Government in real terms, not just percentage-wise. What is of further importance if you look at the published statistics, is that the \$18.8 million spent on Capital Expenditures was and remains, the largest amount of money spent in Capital Works in any single year in these Islands by the Government. And they have the gall to come in here and talk about us being obsessed by grandiose schemes?

Madam Speaker, they say they spent it on Public Works which is much better staffed today and tell us that they cannot spend that amount of money intelligently in one year. The most Capital Works that this Government has been able to undertake is \$14.6 million estimated to be done this year. Let us see what the money was spent on. Or, as one of them has said, "Where did all of the money go?"

The airport terminal and its roadways is the only project of significance that I see in that Budget. Money was in there to finish the Bodden Town Civic Centre and to build the East End Civic Centre. But it is well known that the East End Centre was built the following year by this Government and we still have the Second Elected Member for Bodden Town complaining about things that were not finished in the Bodden Centre.

There was \$100,000 for Museum Development and it is well known that the Museum was only done last year. One hundred and fifty thousand was there for an abattoir that has not been built up to today.

Approximately \$1 million was earmarked for medical and I cannot see where that was put. In any event when the present Member for Health asks for anything like that kind of money, he is told that he is crazy.

Schools got a fair amount. Roads had a whopping \$1.1 million and every civil servant who could mount a claim was promised a new car or new truck, \$288,800 worth of them. Over \$300,000 was earmarked for playfields and I do not know where that went but it was clearly a campaign election budget if ever I saw one. Anyway we all know it did not work.

Madam Speaker, permit me to look for one moment at the Capital Expenditure in the 1992 Budget and guide some of these Bartimaeus' through it. There is only C\$13,335,787 of Capital Expenditure in this Budget. Of this, \$2,923,008 represents Capital Acquisition for Government, representing \$1,140,268 for replacement equipment and vehicles; \$1,258,534 represents a mixture of

replacement and new equipment. This would cover items such as the computer hardware for \$400,000 found on page 425 and another \$506,500 for the Accounting and Computer rooms, all necessary equipment. In some instances it is as good as an insurance policy such as the surge suppressant and the \$200,000 for the communications for the whole Service at page 427.

The next section covers \$5,511,688 of Continuing Capital Projects. This includes \$246,154 for continuation of work at the Community College; \$1,423,980 for construction of roads in the Islands, this is a mixture of new and continuing; \$70,600 for disaster preparedness; \$491,616 for farm development; \$381,606 for repairs and renovations to various Government offices; \$355,790 for harbours and docks; \$664,674 is proposed to be spent for a new Customs Office at the airport; \$641,301 for the West Bay Infant School; and \$2,993,073 for Phase I of the Red Bay Primary School. There is another \$172,000 for sports, playing centres and parks including lights for the East End Centre Volleyball Field, all very necessary and essential projects.

One thing that concerns me is that, in his contribution, the Second Elected Member for Bodden Town said we do not know why we had in figures to show what these projects would cost in 1992-1993 because we would not be here and he had no intentions of carrying on what we started. But I hope that he will at least repent and see that the two schools are finished because these schools are necessary. They are not grandiose schemes as the Backbenchers claim.

Madam Speaker, I demonstrated a little while ago or called attention a little while ago to the fact that in 1984, the last year of the Unity Team administration, that is the Second Elected Member for Bodden Town, the Third Elected Member for George Town and the Elected Member for East End, that 19.61 per cent of Government's total expenditure, which amounted to \$62,134,000 was financed by Loans, Surplus, and Reserves.

In 1992 it is proposed to finance \$6,593,624 only, or 5.04 per cent of a total expenditure of \$130,751,091 from these sources. That is, Loans of \$1 million which in fact were borrowed last year, Surplus coming forward from 1991 of \$2,093,624, and \$3.5 million from General Reserves. Only 5.04 per cent, one quarter of the amount of Loans, Surplus and Reserves as used by them in 1984, but more than double the expenditure and all on necessary projects including increased salaries for the well deserving Civil Service. Yet, they tell us that this is the worst Budget they have ever seen. It is the worst in the sense that I mentioned on Friday afternoon. They thought we would have come here with something like they came with in 1984.

Madam Speaker, someone remarked that the Third Elected Member for George Town, when he was making his contribution, was speaking with unusual gusto. I understand why now, because he had to use that much effort to really get out what he was saying since he did not believe in what he was really saying.

Madam Speaker, I am going to leave the finances for a while and turn to some of the activities in the departments for which I have Portfolio responsibility. Madam Speaker, I am confident in saying that this Government has done more and will do more for the training and education of Caymanians than has any other Government in the past. As of September this year, there were 71 Caymanians attending University and/or Colleges on Government Scholarships, full or partial.

By way of further explanation, I want to give an idea of the range of disciplines covered by these scholarships because it is important. Three persons were studying Computer Studies; one person was studying Educational Psychology; 10 persons were studying Education or being trained as teachers; 11 were studying Economics and/or Business; 10 were doing Accounting; eight were studying Medicine; two were studying Medical Technology; one was studying Cartography; four were studying Social Work; three persons were studying Mass Communications; one person was studying Law; two persons were doing Nursing; five persons were studying Architecture; one person was studying Applied Arts; one person was studying Marine Biology; one person was studying Social Sciences; four were being trained to become jointers; one was studying Civil Engineering; one was studying Mechanical Engineering; and one was studying Psychology.

During 1991 alone, 31 scholarships were granted to 18 males and 13 females which is a pleasing turn around because previously females far outnumbered the number of males that were coming forward for tertiary education. What was also pleasing was the geographical spread throughout the Islands. It included one student from Little Cayman, one student from Cayman Brac and every electoral or even residential district in Grand Cayman was represented.

Madam Speaker, these figures do not exhaust the total overseas training that Government is doing as it does not include in-service training and this is a significant amount. But I am sure that the Third Official Member, under whose Portfolio the Civil Service falls, will address these and elaborate on it in his contribution.

Madam Speaker, I will not attempt to anticipate debate on the Government Motion to come later in this meeting to adopt the 1991-1996 Education Development Plan, but merely to say that the Plan, when implemented, promises much for the improvement of our education system. One Backbench Member mentioned in his contribution that I would need some \$32 million to implement the Plan. That is correct. What he did not say was that it was \$32 million spread over five years and that a very considerable amount of that will already be spent on the two Primary Schools now being constructed because they are a part of the Plan.

Most of that money, if not all, would have been spent anyway whether we change the education system or not. As I said, we have the Primary School in West Bay and the second Primary School for George Town and the Secondary School for the eastern districts has been in the works for some considerable time. So it is not new expenditure, as such. I can assure Members they should not worry about the cost of the Plan because if they believe that education is expensive they should price ignorance.

I suppose this is as good a place as any to deal with the Third

Elected Member for West Bay, the little upstart. I told him before that I am not an architect, engineer or carpenter so I will not be bothered now with his rumbling on about the school building and what else I have to say will put that or anything else he might have said in its proper perspective.

He said that when he decided to go off for higher education people like him could not get any financial help from Government and what is amusing to him is that I was also the Member for Education then and in charge of scholarships. He said that his father sent him on his own resources and that when Government saw he was going to make it anyway, they decided to give him assistance. Well, Madam Speaker, that Member, the Third Elected Member for West Bay, has been back from college knocking from pillar to post for too long now for me to remember what he is talking about and I do not have access to his file but I will accept what he has said except the insinuation that favouritism was or is practiced in the award of Government Scholarships.

The truth is from what he says I can only assume that he benefited under the scheme we have in place for students, who in educational terminology are referred to as "late developers." That is a scheme whereby applicants for scholarships who do not have the minimum required four "O" level subjects at A, B, or C, grades at the time of application and therefore do not qualify for a scholarship can have their application reconsidered based upon their performance at the institution they have attended on their own over a period of at least one year. And if those grades are of a sufficient standard and the institution is a recognised institution then a scholarship can be awarded.

It is obvious that this must have been the scheme, the one for late developers that he benefited under. In my view, Madam Speaker, that fits his profile. All of a sudden he is an expert on airline management and accounting and I understand that some years ago when he worked at Cayman Airways and was asked to produce an annual budget for the airline, he was most upset when management quarrelled that he had produced a budget, after an extended period of time, without accounting for the fuel; the most single significant item in the budget.

Madam Speaker, in this Assembly for him everything Government does is wrong but he does not have any alternative suggestions that are reasonable. He complains that we are spending too much money. I have not heard any specific areas where we could save. In his second breath all that I hear is another want of his. For example, he noted that the grant to sporting organisations has been cut slightly in this year's Budget but he has failed to acknowledge that quite a bit of money is in the Budget for the upgrading and maintenance of playingfields.

He also failed to acknowledge that I had informed this House only recently that the hall or building which he had on his wish list, the multi-purpose hall, is likely to be built by one of the sports clubs in West Bay. I do not see the need for Government to compete with the private clubs when they are prepared to pick up the ball and run with it. I said that Government is negotiating with the club, with a view to providing the land at a peppercorn rental and the club will put the building to house indoor, five-a-side volleyball, you name it, basketball, all that he was asking for. In my view that is a good and sensible arrangement. I believe that the Member will see the wisdom of that as the project develops.

MADAM SPEAKER: Have you reached a convenient time where we might take the break? The House will be suspended for 15 minutes.

AT 11:18 A.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 11:39 A.M.

OBITUARIES

Mr. Erbin Adolphus Tibbetts

MADAM SPEAKER: Please be seated. Proceedings are resumed but before I call on the Honourable Member for continue his debate, I would like to say that as Members are aware Mr. Erbin Adolphus Tibbetts died in Cayman Brac on 24th November, 1991 at the age of 77 years.

Mr. Tibbetts was an outstanding citizen of Cayman Brac and served for some years as a Police Constable, later working part-time with the Public Works Department. He rose to the position of Superintendent of Works from which he retired in 1976.

As is customary we would like to have the condolences of the Legislature transmitted to his relatives and Madam Clerk will be asked to do that. Finally, I wish to say that for his outstanding work and contributions to these Islands, he was awarded the Queen's Certificate and Badge of Honour in 1976. I know that Members of the Legislature will concur when we offer our condolences to the surviving members. Thank you.

The Honourable Member for Education, Environment, Recreation and Culture continuing the Debate on the Budget Address.

GOVERNMENT BUSINESS (CONTINUING)

HON. BENSON O. EBANKS: Thank you, Madam Speaker. Madam Speaker, continuing with matters relating to education I just mentioned that earlier this year we officially opened the new campus of the Community College, a campus that any country and college can be proud of. It is functional, well-equipped and very much purpose built.

That campus represents some of the money which this Government has borrowed. In fact, \$2 million roughly of that money, \$2.5 million has been borrowed from the European Development Fund and the terms of that loan are that the money has been loaned to Government, who has of course lent it to the Community College for 40 years with five years moratorium on repayments at 1 per cent per annum interest. That is a gift and that is \$2 million of the money that this Government has borrowed that we get so much stick for; accepting what is virtually a gift.

Madam Speaker, the provision of that campus will open to this country doors that had heretofore been closed to us. Only last week a Dr. Griffiths from the Canada University of West Indies Institutional Strengthening Project visited the Cayman Islands and the purpose of his visit was to establish contact with the Portfolio and the College because for the first time the Cayman Islands is benefiting from a \$10 million project financed by Canadian aid.

The audio visual equipment for the receipt of the University of West Indies distance teaching facility has already begun to arrive on the Island and this project will finance a room to put this equipment in. It will also finance other training for personnel or human resource development and particularly in the area of sustainable development programmes. For example, it will combine field work for University Graduate Studies' students on projects like the study of marine life in places such as the Cayman Islands. We have already made our bid for some of this money. I believe we are opening new doors in Cayman as a result of this connection.

Madam Speaker, one Member, I think it was the Third Elected Member for George Town, mentioned the increased use of drugs amongst school aged children and used an article from the *Caymanian Compass* by the Head of the Drug Squad in his address to CASA's general meeting to attempt to prove his point. But I read that article and the Head of the Drug Squad was not emphatic that the increase in the arrests was due to an increase in usage. In fact, it appeared that it might have been increase in law enforcement. Be that as it may, this Government is doing much for drug prevention in Cayman. Every Primary School teacher in the Government system has been trained in the Quest Skills for Growing Programme and it is introduced into the schools. That, plus the Quest Skills for Living Programme has been combined in the Middle and High Schools as part of their Social Studies Programme. We have an enthusiastic band of teachers involved in this.

Madam Speaker, sure we have the odd situation where a couple of kids get out of hand but that has always been the case with the odd person. We are taking steps to deal with those to the best of our ability. But you know it is amazing when people who, for eight years all that I know was done to help or attempt, according to them, to help stem the flow and use of drugs in Cayman was to impose mandatory jail sentences on everybody, for them to get up and talk about how little is being done.

Yes, there was a time in this country when the judge had no discretion. You went to jail. We introduced the Community Service Order, put that in place as well as giving discretion back to the courts. I can tell you we are going to go further because sending people to jail for repeat trips is not necessarily the answer.

Madam Speaker, as I said earlier, because Government is committed to providing the plant and equipment for its children, we are going to be faced with increased expenditure in education regardless of the direction that we go. That is why the Capital Expenditure in the 1992 Budget is almost totally eaten by the Education vote as well as is much of the New Services vote. I would hope that Members would see that as an investment in the future.

Moving on to the Museum, Madam Speaker. The Museum has been in operation for roughly one year now and it goes without saying that it is regarded as a success and of a very high standard by all who visit it locally or from abroad. Much is taking place behind the scenes. Submarine Archeology, under the auspices of the Museum, will take place shortly and hopefully this will reveal the dates on which certain historical events are supposed to have taken place in Cayman. The Archives too, were established during the year and already the information that this is turning up is proving invaluable and will eventually lead, in my view, to a full and true history of these Islands. The National Trust continues with the Memory Bank Project, a very valuable project. Members have seen examples of some its work appearing in the *Caymanian Compass*.

During 1992 the Botanical Gardens at Frank Sound will be given special attention. Not only will this prove of interest and benefit to Caymanians but will prove to be, in my view and in the view of many, an added tourist attraction. They will also be busy on district, historic buildings.

The Natural Resources Unit continues to blaze trails in the research and preservation of our natural resources. The studies that they are doing on fish life, lobster and conch will take some years to really be finalised but the work that is being done is invaluable as well as their monitoring of the parks and establishing and monitoring dive site mooring buoys.

Madam Speaker, I am going to get back to the economics again, the Budget, because it is irksome when in a country such as Cayman where the options for revenue are limited and restricted in many instances you get people sitting up, chatting and just giving you new wish lists everyday but will not come forward with any ideas about how to raise money or even assist when the time comes to raise the money.

Madam Speaker, I am not happy either about having had to support increased revenue measures to finance this Budget but in the final analysis, contrary to what many people have said, the package of revenue measures will transfer into this country more than 50 per cent of the revenue being raised from outside sources and this will increase the money supply in Cayman rather than dry it up as the Backbench Members have suggested.

Madam Speaker, if one goes to the Statistical Abstract for 1990, this becomes so obvious that it is not funny. I already showed where the money lent by the banks to Caymanians had increased by 22 per cent, 21 per cent and 20 per cent over the past three years. If one looks in similar vein at

the cheques cleared by the local banks between 1983 and 1990 one will see that there is a steady increase in the numbers of cheques issued both in terms of dollar value and in terms of numbers of cheques. It is an astonishing rate of increase.

Madam Speaker, the Member does not seem to like to hear that but he can deal with it when he gets up. If you also check the Currency Board figures one will see that the money supply and the money in circulation has constantly increased. So all of this together puts, in my opinion, paid and stamps the lie across the charge that Government's action in raising revenue over the last 16 or 18 months, as the case may be, was depressing to the economy and took money away from Caymanians who would otherwise have had it to borrow.

This, coupled with what was said in the Budget Speech to show that the revenue measures imposed last year would have multiplier effect of equal to \$58 million by the end of this year, should be convincing enough even to the most sceptical. I wonder, frankly, if the fact that much of this money will come from outside has in fact really been taken into consideration in all of these calculations because the simple truth is that without some form of device to extract that money and keep it in the local Treasury, it would not have arrived there. I believe that it is an ingenious way of increasing the local economy.

This is probably the time to comment on the claims made by the Third Elected Member for West Bay and the Third Elected Member for George Town. They bemoaned the fact, one said that it was contrary to economic theory to impose taxation during a recession and the other said that to impose taxation during an inflationary period was also inflationary. It increased the inflation. Now I have never heard that theory before.

I can accept the first that in the case of taking money out of circulation by taxation, under normal circumstances, it would be deflating. In other words, it would be harmful in a recession. But when one understands that we do not have income tax, profit tax, or any other kind of tax in Cayman you have to realise that the Caymanian situation is somewhat different.

What in effect is happening, as I said earlier, by the revenue measures that have been imposed, we are in fact bringing money from outside of the country and plowing it into our own economy. So that has to be helpful, ignite the economy not send it down. Inflation, as far as I know, is caused by too much money tracing too few services. So the truth of the matter is that the standard economic cure for inflation is to take money out of circulation by increasing taxes. Be that as it may, we are not going to argue too strongly on that because in recent years everybody will understand that the inflation has confused the most brilliant of economists and I am not going to get too deeply into that argument. I am only stating a fact that the standard dose of medicine for curing inflation is to take money out of circulation.

If Members want a good example of what I am talking about I have heard some people talk about when the national bulk carriers were in full swing and we had turtle in the market. Let us say that it sold for \$2 a pound. In addition to them being able to pay the \$2 a pound they used to give the butcher \$10 to get service and those that only had the \$2 did not get it. That is inflation. Too much money tracing too few goods and the way to cure that is to get it down. Madam Speaker, they did not have statistics in those days but inflation was there.

I am sure that most Caymanians are prepared to live with inflation rather than to live without any income at all. It has been proven that the money spent or the money taken in revenue by Government and increased spending is what has driven our economy in this down turn in tourism.

Madam Speaker, I mentioned on Friday afternoon that the Auditor General's Report contained a section which indicated that the Public Accounts Committee had in fact recommended the increase in the Hospital fees. And lest I be accused of not identifying the chapter, I would like to identify it as chapter 79 on page 36 which says:

"79. Following from the recommendations of the Public Accounts Committee to review fees more regularly and to set charges at levels which would recover full costs, the fees charged at the Hospital were increased in 1990 and put into effect... etcetera, etcetera."

(Inaudible interjections)

The Auditor General's Report, Madam Speaker, not the Public Accounts Committee, I would not have expected them to say that. The Auditor General's Report. That is what I identified it as on Friday. And it was the Public Accounts Committee who recommended it, is the point that I am making. It is well known what happened.

I want to use this to show one other thing, Madam Speaker. Chapter 85 on page 39 dealing with Statutory Authorities. From time to time the Backbench have made remarks which indicated that Government established Statutory Authorities in order to be less prudent and careful with Government spending and to avoid scrutiny, and whatever. But this is what the Auditor General's Report says on that point:

"85. Various types of Statutory and other Public Sector Bodies now form a large and growing part of our public sector. In particular, the importance of the services provided by such Statutory Bodies as the Water Authority, Civil Aviation Authority and the Port Authority are obvious." (This is the important part) "Whilst this has not always been so, Statutory Bodies are by and large now well run and are operating satisfactorily."

What that says is that it has not always been so and maybe

those Members who allude to certain things might know of things that went on in the past but they do not go on today. So those Bodies, under this Government, are properly regulated and properly run.

Madam Speaker, there is one other matter I want to mention and that is the change in the Finance Committee by Motion No. 3/90, the one which the Second Elected Member for Bodden Town, the Third Elected Member for West Bay and the Third Elected Member for George Town made so much about.

According to them, and I am glad that at least the Third Elected Member for West Bay called it what it was. He said in 1990 we grabbed the Budget from them, we took the Budget from them because it appears to me that what really happened is still not well understood. The truth of the matter is, is that the position had been arrived at where the Constitution and the Standing Orders were in danger of being breached because both of those state that except with the permission of the Governor, nobody brings a motion in Finance Committee to increase, or alter, or spend money, and that is done by a Member of Government.

As the Third Elected Member for West Bay said what was happening was that that was in danger of being breached and the way to correct it was, in my view, Motion No. 3/90. His talking about hoping the people of Cayman will forget that is a futile hope. I hope that they will always remember that because there is nothing to be ashamed of in that.

All that Motion did was to place the three Official Members of Government as full Members in the Finance Committee. It is what the practice is in other Dependent Territories like ourselves and in other Commonwealth countries in similar stages of development. The irony is that the vote of the Official Members send the Bill to Finance Committee in the first place and they vote on the Third Reading to pass it, or they used to in the old system. But they had no say in Finance Committee so now they are full Members of the full procedure. I believe that when people understand what was done they will appreciate why it was done and that it was the right thing to do. I am not going to get into the constitutional thing because I suppose we will have another go at that.

There is only one other thing that I have to mention at this particular point and that is that it is a bit upsetting to me to constantly hear Members in their deliberations in this House particularly at Budget time or whenever a constitutional change might be being discussed denigrating other countries in the region, neighbours and friendly countries. I realise that our Standing Orders do not specifically say that is out of Order but under the Questions we are precluded from asking questions on their internal affairs.

Yes, Madam Speaker, Standing Order 22(f)(ix):

- "(f) a question shall not be asked -
- (ix) referring discourteously to, or seeking information about the internal affairs of any territory within the Commonwealth or of a friendly foreign country,".

When I hear Members get up and talk glibly about the reasons for economic problems in this country or the next, particularly neighbours in the Caribbean, it makes me uncomfortable because if we had some of the problems those countries have to face we might not be as well off as we are either.

I do not believe if the shoe was reversed, that we would enjoy those people constantly reminding us of our misfortunes. I would implore Members to try to be a little bit more courteous when and if they have to refer to those countries. But the truth of the matter is they are only doing it to try to frighten people. There is no grounds or substance to their charges. Members will know what I am referring to and I would be prepared any day to debate in any forum the issue of whether those countries would have been better off in their present political standing or if they had continued the way they were. That is not to say that I advocate that we ought to go the same way, because we are a little dot - those countries' needs were far greater than ours and they could not have been satisfied under their former constitutional arrangement. Madam Speaker, I always say what I mean and I mean what I say. I am not like some people in here who only speak to be heard.

Madam Speaker to summarise I am saying that this is a good Budget. It is a complete Budget and I have demonstrated that the Members who claim to be able to do better did not rise to the occasion when they had the opportunity so it would be unrealistic to expect them to do so now when things are more complicated and more difficult.

We have taken care of the needs of the country and our revenue proposals are well spread. It is true that in the case of the duty on diesel that it is likely to result in some increase in electricity bills but it does not necessarily have to do that because the possibility exists that world prices for diesel might go down and the overall cost to the country and the consumer could be no more than it would have been or even less. The other charges are basically charge that anyone can live with and much of which is not going to be taken from the local person or the local economy.

I support this Budget and I challenge the Opposition to produce or suggest a better one.

MADAM SPEAKER:

The First Elected Member for West Bay.

MR. W. McKEEVA BUSH:

Thank you, Madam Speaker. I have listened long and sometimes it was most difficult to contain myself. In fact, I must admit that one particular day I had to spend most of the day in the Member's Room because I am accused often of interrupting, hearing such things as 'You do not have any manners', and that sort of thing. What I heard coming from the four Elected Members of Executive Council certainly would have caused me to rise or interject. I have listened to them and as someone rightly said

over the past several weeks, "Those four gentlemen are shot." I listened to them, for instance the Member who just sat down, talking about some foreign country and talking about a system of Government but he would not make plain what he was talking about. A convoluted way of saying something but not telling the public what he really means.

I am wondering if the Member who just sat down meant what he was saying, not about speaking disparagingly about foreign Governments but about their system of Government whether he was meaning that we should follow that same route. Some of those countries are independent countries or else fully, internally, self-governed countries. It was unclear to me what he was saying but I wish he had cleared it up when I asked him to.

Madam Speaker, I cannot very well answer everything that has been said from the Elected leadership in the Executive Council because I have never in my entire life in this House - and this is the eighth Budget that I will be debating today - I have never heard such rot as what has come forth from that group over there. Instead of spending time telling the public what they will do to get out of this mess they spent time criticising previous Governments, they spent time criticising my Honourable colleague, the Third Elected Member for West Bay, they spent time criticising me, who had not even spoken in the debate.

But I want to answer one remark that was made by the Member for Health which talked about the actions taken on budget day when I tried to catch the Speaker's eye in regards to the suspension of the Standing Order for debate on the resolution before the House at that time. Madam Speaker, if those people are so convinced that that sort of action needs to be taken immediately because somebody is going to steal from the Treasury, why do they not do it democratically, bring it before the Budget and pass it at that stage, if they think it necessary? But prohibiting debate at that point is something which I did not support when they changed that Standing Order and I was in the House at the time.

That was not the worst part of it. His remarks were a lot of rubbish. However, his remarks about graft were not taken lightly. But I would say I only knew about graft, or what I had heard about graft was that you take it for something given. He brought to light another aspect of it. I only want to say that I leave graft to those people who best know how to do it.

Madam Speaker, I want to begin my contribution today by commending the Honourable Financial Secretary and his back up staff for the improved format of the Budget presentation and for having the courage to reveal as much as he has about the financial affairs of the country.

It has obviously not been an easy task to prepare a budget for an election year when there is so little good news to report and with the Elected Members of Executive Council wishing to put the best possible face on matters. As always, the Financial Secretary shows a deep understanding of the world economic situation and how it affects us in the Cayman Islands. We all know and accept that Cayman's economy is influenced by events abroad over which we have no control but our major concern must be to manage our own internal financial affairs in a prudent and responsible manner.

The Elected Executive Council is always quick to shift blame for the country's financial woes to external factors. I submit that these Islands have been hit but not as badly as they could have been as momentous as these have been. And it is the Elected Members of Executive Council's fiscal mismanagement over the past three years which have brought us to the position we find ourselves in today.

Madam Speaker, I might as well deal at this point with the Member for Communication and Works. Seeing that so often he has propounded in this House that a recession in the United States does not mean that the Cayman Islands will be affected. We heard that from him last year. He gets up here and talks about consistency.

This year you heard him bemoaning the fact that lo and behold he has found out now that the vagaries of the US economy has attacked our economic situation here. If they carry such an understanding as they would like us to believe then they should be consistent with it. I want to deal at this time with the four critical areas of Government finances for the year ended 1991, this year. These are Revenues, Expenditure, Public Debt and Reserves, which are all interrelated.

Page 20 of the Budget Address reports total revised ordinary revenue, at \$109.5 million a shortfall of \$700,000 on the original estimate which has been attributed to a shortfall in stamp duty collection. It is widely known that in 1991 there were two large stamp duty transactions of approximately \$9 million each. These would have contributed about \$1.8 million of stamp duty. But it must be borne in mind that these are one-off transactions, unlikely to be repeated in the near future.

I make the point to illustrate the precarious nature of Government finances. Had these two transactions not taken place the deficit on ordinary revenues would have been \$2.5 million. I see the 1992 Land Transfer Duty Estimates are \$12,855,000. Let us hope we, in 1992, are as fortunate again in the face of the slowdown in the real estate market.

Table 7 on page 13 of the detailed Budget Estimates shows total Revised 1991 Recurrent Expenditure of \$105,685,611, and overspending of some \$4.8 million on the original 1991 Approved Estimates for Recurrent Expenditure of \$101,852,365. This shows that Government Recurrent Expenditure is still out of control and I say still. These are facts. The figures I am providing are taken from the Budget data not out of somebody's hat, as they would like us to believe.

If you add the shortfall on Ordinary Revenue of the \$700,000 to the over-shoot on the Recurrent Expenditure of \$4.8 million. No wonder the Financial Secretary has to get up and warn the Elected Members of Executive Council about a divergence between realised Local Revenue and Recurrent Expenditure.

Table 2A of the Budget Estimates shows the brought forward Surplus at 1st January of this year of \$5,647,792, falling to \$2.1 at 31st December, this year. So even by their own estimates they have to raid the country's savings of \$3.5 million to balance the 1991 Budget. So the difference

between what they spend this year and what they collect is \$18 million in the hole. Yet you hear them talking about how they are exercising strong fiscal prudence. If they are exercising it, it certainly has not shown itself at the end of these last three years.

Turning now to total Public Debt. Total Public Debt which stood at \$30.6 million at 1st January this year is going to be increased by \$14.3 million at the end of 1991 and after repayments of \$2.6 million, to finish the year at an estimated figure of \$42.3 million. This represents a net increase of 38 per cent in just 12 months as a result of which 100 per cent of Capital Expenditure having to be financed by borrowing.

Gone are the days when this country financed a major part of its Capital Expenditure out of Local Revenues. I am not surprised that a new Public Debt Recording and Management System has been set up to keep track of the vast amount of debt that Government is incurring. It is that serious. Before I leave the 1991 figures I just want to comment on the rate of inflation which is reported to be running at an annual average of 9 per cent to September, this year.

The measurement of an annual average rate of inflation when inflation is rising is misleading to the wage earners of this country, most of whom receive an annual increase in pay, not a quarterly increase. It is therefore on the year increase in the Consumer Price Index, which accurately reflects the erosion in the purchasing power of the workers of this country.

On the year increase for 1991 is likely to be in excess of 10 per cent and many Caymanians are going to find themselves worse off in 1992, including the civil servants who are now being told they must accept wage increases of 5 per cent next year. The forecast average annual increase for 1991 at 10.4 per cent is likely to translate into an on year increase of 12 per cent, a rate Government appears to calmly accept, as the Member for Education was trying get this House to accept a while ago; notwithstanding a comparable US inflation rate of 3 per cent to 4 per cent. And notwithstanding that most countries regard a low inflation as a major fiscal priority.

Where is Government's plan to deal with the spiralling rate of inflation in this country? They are telling us that it is not going to affect us. Who is it going to affect when prices are increased and what causes the inflation to increase if it is not prices? What has this Government done with prices? Every single commodity in this country has been hit over the past three years by those four Members of Executive Council, the Elected leadership in this country, yet they have the audacity, the temerity to say that it will not affect our people. Who else is it going to affect?

One of them said that we were making \$5,000 a month. That is a lie. They should check their salaries. Perhaps the high salary in this House is why they do not care about the people in this country.

MADAM SPEAKER:
break, Honourable Member?

Have we reached a stage where we might take the luncheon

MR. W. McKEEVA BUSH:

Yes, Madam Speaker, thank you, very much.

MADAM SPEAKER:

The House will be suspended until 2:15 p.m.

AT 12:47 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 2:16 P.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed. The First Elected Member for West Bay continuing the debate on the Budget Address.

MR. W. McKEEVA BUSH:

Thank you, Madam Speaker.

When we took the lunch adjournment I was saying that the rate of inflation is hurting our citizens. That was in response to the Member for Education's theory that when he said increased taxation is an ingenious way of improving the local economy and his wild, unsubstantiated allegation that most Caymanians are prepared to live with inflation. What I would term that as is "upside down economics".

I do not need to say that our people are hurting. Everyone of us in this House knows that. Everyone of us meets our constituents whether it is Government or this side of the House and everyone of us knows and are faced daily with problems existing because of the recession in the country. These tax measures can only add to inflation, to higher bills and commodities, especially electricity. That hurts everyone. So I do not know where these economists get their theories but they are not real. They are not living in a real world. They are not practical.

Madam Speaker, that does not surprise me because it was those same economists who went on a rampage of spending, who shifted from one claim to the next and then another and have this country so far into trouble that I am really worried about what is going to happen us. I will deal with that later on.

Looking back now to the Estimates. The Estimates for 1992 in Table 2B show that 1992 Ordinary Revenue before the recently increased duties on diesel, spirits, cigarettes and company fees will fall short of Recurrent, Statutory and New Expenditure which I might say all of which are recurrent. Some will fall short by \$2.5 million. This deficit of \$2.5 million, together with proposed Capital Expenditure of \$13.3 million, will be financed by a further raid on the Surplus of \$1.7 million, a transfer from General Reserves of \$3.5 million and a further \$1 million borrowing. The remaining shortfall for 1992 is to be financed by the

recent hikes in duties as I have said, which, as I have also said, will add an additional burden to the public of \$9.7 million. So the difference between what they spend and what they collect for 1992 is \$15 million in the hole. The figure appears in Table 2B of the 1992 Estimates.

Even more serious and misleading and as unattractive as these estimates for 1992 are, they provide nothing for the new Hospital, which some Members have said they do not need to do that, but this provides nothing for their estimates of \$16 million and nothing for the Cayman Airways bailout, which is going to be a very hefty sum indeed.

We see in the question answered this morning that Cayman Airways is in debt over \$24 million. That is excluding the money that is owed to Guinness Peat Aviation and they are going to have to be paid for breaking the lease. I am getting the signal, Madam Speaker, that says I am not right. We shall wait and see. They told me in 1989 that I was wrong and what has happened? Their upside down economics have put this country in a deep hole from which we may never get out of. Madam Speaker, the Member for Tourism is my friend but he is easily led astray and they have led him astray. He listens too much to Benson.

Madam Speaker, the 1992 Estimates are misleading and it is irresponsible of the Elected Executive Council to keep the true facts of the country's finances from the people. The Hospital Loan, if we get to that position, is going to have to be guaranteed by Government even though they have created a Health Authority. So they can talk about these self-financing loans. This loan is going to be a part of the total Public Debt, a big liability on this country. Cayman Airways may be a limited company but we know they bring all of their bills to Government when they cannot pay them.

Madam Speaker we heard that from, I believe the Member responsible for Tourism, and we heard that from the Member for Communications and Works when they were speaking. We heard that we are going to have to stand by Cayman Airways. This is completely different from what those two Members said when they came into my constituency in 1989 and told the public that we were not responsible, they could do what they pleased because we were not responsible. The country is paying for their folly. The country is paying for their folly. Madam Speaker, perhaps one of these days they will repent of their sins and when you repent you have to admit your wrongdoing. They are too big now to do so but one of these days they will have to do so.

When you add the debt brought forward from 1991 of \$42.3 million to the money needed for the Hospital and Cayman Airways and include the unfunded Government Pension Liability, that is the civil servants' pension, the true debt of this country, at the end of 1992, is likely to be in excess of \$100 million. Madam Speaker, this compares with estimated combined Surplus and General Reserves of some \$10 million, a mere pittance. I challenge the Government Bench. I challenge those four upside down economists to dispute these figures.

The Member for Health has run. He is not in the Chamber as he usually is these days when I am speaking. The Member for Health who is a self-professed expert on pensions, hospitals, construction and graft has now added another expertise to his list, that of economist. Deficit spending and the multiplier effect by Government, he says, are stimulating the economy to greater heights. They would like to believe that. They would like the people to believe that. The Member for Education got lost in the same river. They would like to believe that the more you tax the people the better off they are. But that is not so in reality. That would be like a Member of this House advising his constituents to go out and spend money they do not have and telling them by doing so they are going to improve their financial situation.

Madam Speaker, if Government deficit spending was on projects which had revenue potential, some sort of financial payback to the country, this might be so. The truth is the excessive spending in the past three years by the Elected Executive Council has been in Recurrent Expenditure, not on projects that enhance the earning capacity of these Islands. They are buying things like cars, bulldozers, and dump trucks and I will get to that later on when I get into the estimates for them.

This is the first time that I can remember for a long time when this country has to get to the level of borrowing for Recurrent Expenditure for such things; what I call "house-keeping" expenditure. And they talk about being good economists! My God. I wonder if they run their businesses the same way? I wonder if they would admit that? I do not believe so.

Very early in 1992, if not before, they are going to come back to this House in Finance Committee, with their extension vote on this side, with a request for Supplementary Expenditure and huge amounts of borrowings. They know this is so. It is the height of fiscal irresponsibility for Government to present a budget for next year showing \$1 million of additional borrowings when they know full well that if they are going to build a new Hospital, as they say they are, and pay off some of the bills for Cayman Airways, as they are going to have to, they are going to need to borrow or guarantee at least \$25 million in 1992.

Madam Speaker, this Budget has been presented with sleight of hand. It does not present the true situation the country faces in 1992. The Member for Education says that if we search the records we will find out that the prediction I made last year on the Budget Debate saying that that budget was a stretch-to-fit budget because they were trying to fit the expenditures into the revenue and the revenue could not hold it, if that is so I would like for him to show me where he is correct, where they were not trying to stretch it. In any event I say that this one has been presented with sleight of hand, the architects of which could have only been the policy of the four upside down economists. Madam Speaker, 1990 was the "grandiose" Budget. 1991 was the "stretch-to-fit" Budget. Behold, I give you the "soak-the-poor" Budget.

Madam Speaker, they are not going to fool anybody. The *Caymanian Compass* at one point asked "Where is the provision for Cayman Airways in the Budget?" in a recent editorial. The public, our constituents, are asking the same question. It is an insult to the intelligence of the people of this country to place a figure of \$2 million subsidy in the 1992 Budget for Cayman Airways and hope that the problems of that company are going to go away. It is irresponsible and I hope the people tell them that in 1992

when they vote them out of office.

I am amazed that that group has the audacity, the temerity to come to this Honourable House and say that they have been managing the affairs of this country well. To spend all day attacking Backbenchers rather than putting forward suggestions for the development of the country which would not need taxation. Madam Speaker, this is the worst position this country has ever been in. You know some of them have the gall to talk about what they did between 1988 and July, 1989. The Member for Communications and Works went on and on talking about what was done and he said, "This is what I have done between 1988 and July, 1989."

Madam Speaker, I am here to tell this country, this House, that if it was not for the Honourable Vassal Johnson at that time and the Honourable Charles Kirkconnell at that time, we would not have been in the position at the end of 1988 with surplus. I supported the Government. I did not support all of their taxation measures. I could not, but I supported some of those things. They had the foresight to do something to get the economy going which was at a slow period at that time. What have these fellows done, instead of coming into the House challenging us about what we have done? We do not direct policy. We are not even the majority on Finance Committee.

This is the worst position the country has ever been in. Education is in the doldrums. Tourism is slipping. We have the highest deficits ever in our history. We have the highest debt position ever in our history. We have more people unemployed today than in any recession we might have had. Inflation is the highest it has ever been and continues to rise. There is an usually low amount of direct foreign investment capital. These are the highest taxes we have ever had.

These are all records. Record unemployment; record indebtedness; record social problems; record inflation; record low foreign investment and in the Olympics of economic failure, that bunch of upside down economists are winners, gold medalists, hands down. Yet on the eve of an election year they come here babbling about being so busy and asking the people to forgive them, screaming and wanting the people to understand how busy they are. They should have gone to the people before now.

The Members of Executive Council have all tried to take credit for the new Budget initiatives taken by the Honourable Financial Secretary and to prove their point, they even read the points from the Budget Address which the Financial Secretary hammered in about the control of budget expenditures. I want to agree with them on the part of their contribution where they use those paragraphs. I am going to quote them but sure the Financial Secretary says that there are new initiatives taken now to try to control expenditure because he needs to halt and stabilise the trend towards imbalance between revenue and expenditure before this trend puts us on a path towards fiscal instability.

The Member for Health and the Member for Communications and Works, in fact all of them did it, tried to cover themselves by saying, "Not that it has put us on that path yet, but before it does." The argument is, what got us to this point? Who put us in this position which causes the Financial Secretary to ring so loudly those warning bells? There are only four people to blame for those deficits by spending more than they collect for the foreign investment. What the Honourable Financial Secretary is saying, in my opinion, is, "Look, you guys on Executive Council, you cannot continue as you have been doing in the past, spending more money than the country is making." Who else could he be talking about?

They want us to say that it is the civil servants. They want us to say that the Budget is the Official Members'. They want to give us lessons in the Constitution many times. But we know that the reason why we have four Elected Members is so that the peoples' representatives are in the majority at all times on the Executive Council. The representatives, those people who our people get out there and support. So how now do they want us to blame the Official Members?

This is their Budget. They must accept responsibility for their nastiness in it. The only ones the Financial Secretary could be talking about are those upside down economists of the Elected Executive Council who have brought this country to its knees fiscally. He is not talking about the Backbench. He is warning the four Elected Members who are long on talk but short on fiscal prudence.

Obviously this bad record of extravagance is the four Members', not the Official Members', they are not in the majority, sure. I agree that the Financial Secretary has made a sterling attempt to control their wild expenditure by proposing these new budget initiatives. But those attempts have come this year after record deficits last year and again this year, and deficits estimated for 1992. The initiatives had to be taken as a means to try and salvage this country from the reckless path they were on. This is what it is all about. I say again, it would not have gotten this far if they had not changed Finance Committee in 1989 where we had control. The one year we had control we kept the borrowing down and there was no deficit.

These past two years all that we could do was to put on the pressure. It might have been much worse if our people did not give the Financial Secretary and this Backbench a tremendous show of support and the four of them were scared off a little bit at least. But still they created a \$15 million forecast for 1992, \$18 million for the current year and add \$24 million for the debt position. What have we to show for it?

They talk about their road projects. They talk about the Master Ground Transportation Plan. Might I ask these honourable gentlemen what would have happened to this country if they were allowed to carry on with the Master Ground Transportation Plan? I heard the Member for Tourism the day when he was debating talking about the Plan being scuttled and traffic jams. They had the alternatives for West Bay Road but they would not use them. They went to the extent, as I understand it, to encourage the blocking off of West Bay Road with a dyke road which was used by the public in times of heavy traffic. For what? In order to get the people worked up to push the Master Ground Transportation Plan forward.

They blame the Backbenchers but they said nothing about the First Elected Member for Cayman Brac who at that time voted with the Backbench. But of course he is their little

lackey today it seems. All they have to do is look across the floor at him, pass him a piece of paper, shake their heads and you can guarantee they have a vote. If getting votes from the public was as easy as those four Members can get the First Elected Member for Cayman Brac's vote a lot of people would be elected, and some not.

So in winding up on this aspect I want to reflect on some of the concerns expressed by the Honourable Financial Secretary in what I believe will be a Budget Address remembered, apart from what it did not address, for the warnings given by the Financial Secretary.

From page two of the Address in respect of 1991 he says and I quote:

"The seasonally-unadjusted inflation rate was running at an annual average of 9.0% at the end of the third Quarter this year, (which is the highest rate of inflation recorded since 1984)."

From page five and I quote:

"Although actual future growth in inflation is difficult to predict precisely, the prognosis is that the seasonally-unadjusted inflation rate may run at an annual average of 9.5% at the end of this year and 10.4% at the end of 1992."

From page 6 and I quote:

"Total public expenditure rose in nominal terms from \$96.4 million in 1989 to \$116.3 million in 1990. This represents a 20.9% growth in 1990, compared to 11.6% growth in 1989. Since there was a reduction in capital expenditure by about \$1.7 million, the growth in total public expenditure was due mainly to a 27% growth in recurrent expenditure from \$81.1 million in 1989 to approximately \$103 million in 1990."

From page 8 in respect of Government revenue and expenditures and I quote:

"While realized local revenue appears to have followed a fairly systematic or predictable growth path between 1986 and 1990, actual total public expenditure appears to have followed a unpredictable growth path over the same period. Madam Speaker, if trend analysis has shown that realized local revenue and recurrent expenditure have been following divergent growth paths, and this trend is allowed to continue over this and the next two fiscal years, then public finances would be heading in the wrong direction."

From page 8 in respect to the Financial Secretary's reviews of public finances for the period 1986-1990 and I quote:

"I have concluded that there has been a marked divergence in the growth trends between realized local revenue and actual recurrent expenditure, particularly in 1989 and 1990, and that if this trend is allowed to continue unchecked, public finance would be drifting in the wrong direction."

This is a serious warning that any sensible person should heed. They had to admit it and I will tell you the reason why they admitted it. They got up here and lauded the Financial Secretary because they realise that the Honourable Financial Secretary has tremendous support in this country and for them to buck him on the eve of an election would cause them severe licks at the polls in 1992. Outside of that they would have done this year what they did in previous years, try to discredit him.

So the Member for Communications has charged that the Backbenchers are injecting political rhetoric into this debate and distorting the facts. Madam Speaker, what I read to you are the facts. That did not come from the Backbenchers, that came from the Financial Secretary. We on this side of the House have too much respect for the good common sense of the people of these Islands to get up and distort the facts.

You, Madam Speaker, and all of us have heard the warnings from the First Official Member in his Budget Address which I have quoted verbatim and in context. This country is facing a serious situation and Government's attempt to sweep it under the carpet rather than address the problems is going to leave us sinking in a sea of debt by the end of 1992. Deficits today can only be financed by borrowing against tomorrow, as this Government is doing. They are borrowing today against our children's future in order to buy time for their political survival next year.

So when these gentlemen get up here and talk about not reaching that position yet they need not try to take any credit for these new attempts to control expenditure or try to convince the country now, at this late stage in the game on the eve of an election year, that they are doing such a good job. They are the reasons why the Financial Secretary has had to take these steps. They put us on divergent paths and the strengths proposed are the Financial Secretary's initiatives to stop that bunch. But the weaknesses which the new initiatives address are the result of the Executive Council's mismanagement.

Madam Speaker, you know we were likened unto a bullfrog by the Member of Executive Council for Education. A popular Soca king in Barbados sang a song about bees which became very popular and it said that the Government in his country was a bee stinging everybody. I quote: "Benson is a bee, Norman is a bee, Linford is a bee, Ezzard is a bee, stinging everybody. Stinging them left,

stinging them right, stinging us morning, noon, and night." All of them, Madam Speaker, are bees stinging everybody. The bullfrog is a pretty harmless fellow. The bee can kill you. When those bees come for the bullfrog they will get eaten up.

Madam Speaker, as I said, if I pay attention to all the rot that was said by those Members over there I would not get through what I want to do in this Budget Debate. We were challenged to show where we had put up any ideas to help direct the country in better ways. I want to turn to some of the non-financial matters raised in the Budget especially the Manpower Study and the Student Summer Internship Programme.

I fully support the establishment of the Manpower Planning Department and I believe it must be a step in the right direction to identify future demands for labour analysed by the types of skills that are likely to be needed so that young Caymanians, in choosing careers, have a clear idea of the types of skills that are needed and the careers that are open to them.

We know that if the social harmony that exists in these Islands and on which our current and future stability and prosperity is dependent is to continue, the legitimate aspirations of Caymanians to assume more important in the country must be fulfilled. This will take time. Rome was not built in a day.

I welcome the initiative on the Student Summer Internship Programme and I hope that the private sector will actively support it. I think it offers positive benefits to both student and employer and would echo the Financial Secretary's hopes that these internships will be meaningful work experiences that will give students an opportunity to demonstrate their ability and lead to future permanent employment.

I think Government needs to clearly articulate and communicate to employers around the country the necessity to have bright, well-trained Caymanians to assume greater influence and more senior positions if the social harmony of this country is to be preserved.

A few years back I tabled a motion in this House dealing with apprenticeship schemes. That was several years ago and now we have come to this point today where they are not calling it an apprenticeship scheme, they are calling it something else. Nevertheless I am happy that we have gotten to this stage. What they need to do now is to act upon it. Do not let that lay down too, as so many other things are being done for election years.

Madam Speaker, there has been a lot of talk about aspirations and hopes of the young people and about Milo Butler, Lyndon Pindling and the Bay Street Boys. From what I read Sir Milo was an honourable man. While I am not making any apologies for anything anybody said, I ask the Member for Health if he does not know that is what people call them; the Bay Street Boys and he should search and see what their activities were like. Nobody from this side mentioned anything about the Bay Street Boys but I believe the Bay Street Boys must have trained somebody according to how they know how to do certain things.

Madam Speaker, I believe that our problems here in these Islands in the manpower area can best be solved by something which I have long espoused: An immigration policy which preserves, strengthens and expands the economic health of the country and enhances opportunities for the people of these Islands. A policy where long range growth for our financial sectors are determined and a system where labour budgets which fit the growth needs are devised, and available Caymanian labour and the amount of foreign workers required is established to ensure quality growth to operate, strengthen and expand the international business sector which we are so heavily dependent upon, while ensuring that Caymanians are not shunted in their career opportunities.

As far as the financial sector and its manpower needs are concerned, I wish to draw attention to a relevant matter which I also feel is an area in which some revenue can be derived. It is my opinion that we still have a long way to go in developing our financial sector and broadening our revenue base. Everyone realises that for many years to come this country will be dependent upon foreign expertise to strengthen and expand our international business sector. What with the establishment of mutual funds or unit trusts and so on, a lot of business is waiting to be tapped to flow into these Islands and we need to positively and objectively look to that aspect for realising income for the country.

First, income can be derived by a solid work permit fee for the upper ends in the financial sector. I doubt that any reasonable company in the financial sector can object to an increase, for instance, in work permit fees if the Government sits down with them and devises a scheme where let us say, an increase in accountants or lawyers are needed permission is given to bring them in, while ensuring that every available law student graduated from our local Law School is employed and given a chance to move ahead. The same is applied to bankers, accountants and others in the offshore industry. Definitely if someone is applying for help they should say where they are needed, discuss it with Government and let us say, more lawyers or accountants are brought, in the same means more business brought in.

The same applies to the other areas in the financial offshore industry as well. The more business brought in the more revenue the country will receive. I do not see how anyone could object to this and if they do they would be penny wise and pound foolish. Until sufficient numbers of Caymanians can be trained to be lawyers, accountants and in other such areas of expertise in the financial sector, we will continue to have to import such expertise to advance the possibility of expansion in that sector.

If we look at it, we have a lot of people on work permits. They are not really in the financial industry. That is small in comparison to the other areas. This is one sector that we have to move ahead with. It has to be strengthened and it can be strengthened if those people have the will rather than taxing all of these small items which mean nothing much to the country but hurts everyone.

Madam Speaker, yes, there is some victimisation going on in the casual labour sector and it is most evident in the hiring practices in the tourism sector. For those Caymanians

who need to work and want to work, opportunity must be given. I know that, on investigation of complaints about advertisements for positions open and applications made, these have been ignored. When a hotel needs a permit for a position which cannot be filled by a local then I am in agreement for the permit to be granted because our tourist industry must be serviced. However, when a local is available and is willing to work and he proves himself, he must be given the chance. In a lot of instances this is not the case. This has to stop if harmony is going to exist.

When it comes to gratuities, this has been an issue which I have been talking about in this House ever since I came here in 1984. The matter has not been sufficiently addressed to any satisfactory degree. I wonder why? Why has this thing not been straightened out? I wonder if the Member for Tourism, whose responsibility this falls under, can tell this House why? If they have a policy they should put it on the Table. There should not be any beating around the bush. Tell the people what they mean. They get up here, all four of them, and say they have done their best for the people. Then why is there still the atrocity of gratuities being withheld?

Seven long years of famine. Seven long years and the problem grew rather than being corrected. In spite of motions brought to this House which they accepted, the problem still exists. What do you hear as the solution these days? They want to stop gratuities. The Member for Tourism should lay his policy on the Table for this also and tell the people whether he stands behind it, or what is his position. They talk about playing footsies with the economy. They must stop playing footsies with our people. They must stop playing footsies with these sorts of issues. But should the stopping of gratuities be attempted, are they going to ensure that our people are paid the same level of salaries? It is time that they come to grips with this issue. Why not? Answer me.

It is hard when you know that you should be getting something, in some cases \$1,000, and you get \$150. It is hard for people to expect it. And they talk about continued cooperation. They talk about good relationships. These are the kinds of things that upset people to the point where they feel like taking matters into their own hands. We do not want that to happen. We tried to head that off with the Labour Law, however deficient it is, and it is causing some problems, I admit. But that was the reason I thought about getting a Labour Law so that we would not have any problems of those sorts.

Those Members over there have only addressed the problem on the surface. It is our constituents who come to us daily and talk about it, and especially notice it in these hard times. But the four of them say that the times are not hard. The times are good. Good for who? Good for who? The truth of the matter is that they have failed us. They have failed our people. They have failed and now that they have failed, they are trying every gimmick in the book to stay alive politically. Disgraceful and cheap.

Let me say that Moses might not have led his people to the Promised Land, as the Member for Communications was giving us a theological lesson on the other day. That might not have been God's will, but Moses led his people out from the bondage of the Egyptians, from the hands of Pharaoh. While no one on this side has any claim to such notoriety as the Bay Street Boys, we leave that claim or rather that stench to the likes of the Member for Health and his friends. We on this side will lead our people out from the bondage at the hands of the Members of Executive Council. We on this side are responsible and we do not build up the hopes of our young people falsely.

Let me say, in dealing with this issue of manpower, there is no promised land in this life. There is no utopia to get something in life for nothing. I was not taught way that and I was not raised like that and I am not going to tell anybody that is the way it must come. To get something in life, to climb the ladder of success in this life, it must be done honestly, by hard work, the will and the ambition to make it. This is the message that I preach on my political platform. This is the message that I preach to the people of this country. We feel, however, that this Government is bankrupt of ideas and while our country is not dead, they are going to kill it by not having the competence to deal with the matters, to address the matters, which affect our people.

Madam Speaker, the economic stagnation coupled with victimisation, plus the pressure created by the misguided policies, all of which are very prevalent in our country today, will lead our people to doom. The Executive Council Members have blamed Backbenchers for not putting forward alternatives to their taxes. I gave them some ideas just now which I have spoken about many times. They should look at them. Really, they control the country. They are responsible for policies and they should be wise enough to keep down their expenditure in the lean years, such as we are experiencing. Their policies should be those which stimulate the economy enough for sufficient revenue to wipe out the need to raise taxes yet, they blame us. They blame the Backbenchers.

Madam Speaker, what have they given out people? The Member for Communications and Works read from a document the other day. I have challenged time and time again give me that document on which you say so much work was done. He would not give it to me. Why? Really because he was misleading the House. I challenge him again. He hears me, Madam Speaker. He is not paying any attention as if he does not want to hear but I challenge him to give me that document where he said that work was done in West Bay. I know where the work was done and whose road it was done on and when it was done.

What have they given our people? What have they given West Bay? A few street lights. Let me tell the Member for Communications and Works and his upside down economist friends, every Government in the past provided street lights. But this one, this one can rightfully be called the "street light Government." Why did they give us so much light? Because they have created so much darkness in the country.

Madam Speaker, as a Backbench we have put forward many suggestions to diversify our economy. But they did not pay any attention. They were too busy. Too busy doing what? They were too busy doing things that have not and will not benefit the country. They spent all year talking rubbish about constitutional changes and chief ministers. After spending all year on it they could not get up and

discuss the matters in the House. Their proposals, nobody else's. All year was spent on this constitutional change while things like the Immigration Committee suffered, things like the Code of Ethics suffered. Why?

Do they really want it? No. It is my opinion that Government does not want to do anything about those things for several reasons. They want the Immigration policy to remain as it is because some of them benefit most. Some of them do not ever want the Code of Ethics and Conducts on which I moved the resolution. I wonder why? I say this to this Honourable House, I say this. I will bet you, Madam Speaker, that if it comes it will be a watered-down process which means nothing. Why?

These things get me hot under the collar really because I am in the minority and all that I can do is what I am doing right now and that is putting forward suggestions and talking. But they have an extension over here and when that is plugged in no amount of light shines any better. They have spent all year going on trips which have not paid off to the country, hiring consultants, getting their faces a brand new smile on CITV, hiring consultants for over \$1 million. What has the country received for it these past three years? People out of work, large loans, large deficits, roads in a dilapidated condition, less tourists, deepening social problems and a floundering educational system yet they blame the Backbenchers. What gall I say, what temerity. They blame the Backbenchers.

They would like the people to believe that but you know what? The Backbenchers, if not all of us, most of us, are good spokesmen and we can tell the truth and the country listens. They, right now, are in the political doldrums. It is not so much what we have been saying, it is their polls which have been telling them the right thing, telling them, "Look, you cannot make it." That is what has them so frightened down there.

Madam Speaker, it is not for us to put forward revenue measures. It is their responsibility. It is our responsibility, I feel, as an Opposition to put forward reasonable alternatives to what they propose but they never listen. They never listen. No matter what you do they will not listen to you. They have their friends to advise them and they have their consultants. They sit on their little throne and they do as they please. All of them have the same disposition as the Member for Health. Every one of them. None of them fool me, no matter how much they grin up in my face. They do not fool me. They are hurting my people. When they do that, they hurt me.

They put on, like the Member for Health, their little cowboy boots, their little cowboy hats, get in their little cowboy wagons and ride rough-shod over everybody. Every one of them does it but some of them have a very smooth way of doing it. Last year we put forward a resolution which dealt with diversifying the economy. In fact, it was moved by the First Elected Member for Bodden Town and seconded by myself. In that motion we dealt with Government encouraged golf courses, convention centres and other tourist and business related activities such as the purchasing of Pedro Castle. In that motion we also suggested the purchasing of the properties called Hell. I will deal with the matter of the properties called Hell later on because that is in my constituency.

It is still my opinion that we should be actively pursuing the possibilities of a free trade zone.

Are you hearing me correctly, Madam Speaker?

MADAM SPEAKER:

Yes.

MR. W. McKEEVA BUSH:

It seems to me they have turned down my mike.

MADAM SPEAKER:

It is quite clear to me.

MR. W. McKEEVA BUSH:

Thank you, Madam Speaker. Traditionally we know that free trade zones work well in manufacturing base economies because of the abundant supply of cheap, semi-skilled labour available in those countries. Usually they are created to cater to the labour-intensive industries. However, while our labour is not cheap, this should not inhibit us from attempting to use our positive factors in this country for such an intensive revenue earning development.

The duty break which companies would get in Cayman plus our positive factors of stability, security, confidentiality, good telecommunications, no exchange controls, excellent power supply, efficient and honest Customs services, proximity to our great neighbour the United States, all of this makes us an attractive site for such a venture as a free trade zone.

Since our Islands cannot compete with our neighbours and other regions for large-scale export operations due to the factors already mentioned, that is that we do not have the labour-intensive market so we could not produce cars and so on, we however, must look to more specialised smaller scale export projects, more suited to the Caymanian strengths. These new industries should feature high value products produced in capital-intensive and I stress, low labour content processes.

The types of industries which could be sought includes cosmetics, particularly perfumes, small, high value electronic and security items, computer software and data processing. Of course new income would be derived from the new companies being registered as there would have to be some form of corporate structure. So there would be a captive market for the financial industry.

This idea of a free trade zone cannot be achieved overnight. I understand that but at least the Member responsible for Commerce should have put some effort into exploring the possibilities instead of throwing cold water on the proposal. I am convinced that it is a workable proposition which can help to diversify our economic base.

In this age of electronics we need not target industries which are pollutant but instead there are those industries which are capital and intelligent-intensive which instead of needing

1,000 people would only require maybe 50. These jobs could be filled by graduates from our High Schools and the Community College who have a basic education and have had some exposure to technical subjects such as computer. Why has this not been looked at?

They are asking us for ideas to getting revenue. They should have looked at this one. An important factor is that a free trade zone can be a significant earner of foreign exchange. These Islands, due to a lack of exports, sustain a heavy deficit on our balance of payments. This deficit is concerned with visible imports and exports. As some of us know had it not been for the invisible earnings coming from the financial sector and the tourism sector we would be in a serious position indeed as far as our balance of payments are concerned.

Due to our positive factors, investors could be attracted here instead of going to those countries where the electricity is not reliable or there is a lot of violence and unionism which breaks down security all around. The exportation of these high dollar value products to the United States or elsewhere would create a significant flow of foreign exchange and at the same time would infuse more revenue into the Treasury.

Madam Speaker, I am dealing with this area at some length because as I said we were challenged to find areas of revenue and it was also said by all of them that we were not putting forward any ideas.

In 1988 one country alone in the region with a free zone had a total export value to the United States from that free zone of \$508 million. Companies which have operations there include Westinghouse, GTE, Backstravinol, Warner-Lambert and even American Airlines. These companies are not involved with labour intensive projects but are involved with low labour projects such as software development and electronics. If this suggestion was examined properly and went after in a sincere manner and was developed here would not need to break the backs of our people with taxation.

For a long time now and also in the same motion last year, I made the recommendation of extending our airport runway. The Member responsible threw cold water on that proposal too, saying that because we do not have mass tourism we did not need it. Perhaps if he had heeded our advice instead of listening to Benson and playing politics with our suggestion Cayman Airways might not have gone into the sea. But where there is no vision the people are sure to perish. We give them ideas. We give them ideas to help our country, ideas to bring in revenue, but they do not take them.

That is not a proposal which can be put off any longer. It is needed now, not only because of the safety factor, that is the most important, but also to take long range, as I said then, trans-Atlantic flights which are needed to open up Europe to our tourism. The Member just went on a trip to Italy and Spain, I believe it was. I do not know how good that is going to be. I do not know if he will get any results from it. They might have had a nice sight-seeing tour but we have yet to see. But we need to open up Europe. With the barriers of communism broken down, people are willing to travel. We need business but you have to have ideas. You cannot sit down and pout at us and call us names. That is not good management. That is not good Government.

Madam Speaker, these suggestions of the golf course, the convention centres, the free trade zone and the development of the airport are developments or projects that Government could actively pursue, take part in, or encourage. These projects are money earners and would help pay their own way. This is what we want to see when they are borrowing for such large expenditure. We want to see something that is going to earn some revenue in years to come. That is foresight.

Madam Speaker, I said earlier that I do not believe that our country is dead and all is lost. I have faith. I think what has happened to us is that we have a type of leadership in the four Elected Members of Executive Council which are not only bankrupt of ideas but also lacks the competence to even initiate such ventures. That is why we are suffering.

They have all spent time on their pet projects and neglected to go after revenue earning development. Tell me the last time that this Government explored such possibilities with any amount of seriousness and I will show you a millionaire on the Executive Council.

Now I have to wonder why Government has not taken advantage of attracting investment from countries within the Pacific rim, Japan, Hong Kong and so on, where a decent effort would bring new business to these Islands and more revenue for the Treasury. That area has a \$3 trillion market growing at a rate of \$3 billion a week. Economically, the Pacific rim is a powerful, global presence.

In the late in 1980s, for the first time in decades, now United States institutions was among the world's 26 largest banks, according to figures compiled by the American Banker, a financial newspaper. A decade ago there was just one Japanese bank among the top 10. In 1989 Japan captured the first 12 spots and 17 of the top 25. Japan is the largest net exporter of capital. The awesome power of the yen is experienced everywhere.

What this could mean to us is that the higher exchange value of the yen makes it attractive for the Japanese to set up facilities abroad and because Japan's second language is English many want to be in the English-speaking countries, such as these Islands.

Madam Speaker, with the takeover of Hong Kong by China billions of dollars are wanting to move out to relocate. It is one of the great financial centres of the world with over 284 insurance companies, 142 mutual funds, 900 stock brokerages, 1,300 registered security dealerships according to a Wall Street Journal report. Hong Kong has the second largest financial futures market in the world and its Stock Exchange ranks eleventh in capitalisation.

I mention these statistics to show the chances for further economic progress, if our Government could only wake up shake off their dull sloth. I doubt that they have the creativity to analyse what advantages exist in that area or to determine how to exploit it properly. Trade barriers in

those areas are coming down and the consumers are spending like crazy. As millions, known for their high savings rate grow rich, the concept of disposable income is catching on. People there are travelling to new places for vacations. They are relocating abroad, buying homes, purchasing property and looking for new investment opportunities.

We need an Elected leadership on Executive Council which can coolly assess what, in this new economic order of the Pacific rim, is there for this country. When measured by wealth and the escape from pressures which do not exist in these Islands, those areas provide prosperous new markets for those willing to go after them. Yes, I fully well recognise that Government can only give to its people as much as it has. But the Government must get up and do something to get the money and then spend it wisely.

In suggesting these areas for growth and income possibilities, I realise that apart from the revenue benefits of expanding the financial sector and creating more job opportunities, the impact of such business on our infrastructural requirements is far less than a Safe Haven type project.

Madam Speaker, in ending on that subject, I wish now to go ahead and deal with something else.

MADAM SPEAKER: Before you embark on a new subject would you take a break now?

MR. W. McKEEVA BUSH: Yes, Madam.

MADAM SPEAKER: The House will suspended for 15 minutes.

AT 3:46 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 4:09 P.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed. The First Elected Member for West Bay continuing the debate on the Budget Address.

MR. W. McKEEVA BUSH: Thank you, Madam Speaker. Madam Speaker, in talking about diversifying the economy and getting new business, I believe that it is time that a hard look be taken at what is happening to local businesses, small Caymanian businesses. The only Elected Member of Council who is the right one for this is the Member responsible for Commerce and Trade.

Today in this country local businesses are suffering all around. It seems that what has happened here, and I will give them this much in their attempt to assist some people, every cat and his dog who walks in here with a briefcase can set up a business.

Madam Speaker, several people have been coming to me concerning what is happening to them. There is only so much business, there are only so many restaurants, so many shops, so many hairdressing salons that this country can take. If we allow big people with big money to come into this country to do business, they can easily sit back, pour money into their businesses while competing with the local businesses and wait them out, and finally shut them down. They then expand their restaurant, shop or whatever they have. They have the money.

I do not understand why the Government has not done something about it. Time after time we meet people, local entrepreneurs, young Caymanians who have gone out to the bank, borrowed money, or took their savings and put it in a little business. We see it in everything. You see it daily, the many cars on the road that are selling. I wonder if they have a licence? I am not one to keep anybody from making an income but we have to look at those people who are registered, lawfully as a company.

Then the business of fronting is something else. You know fronting took place here years ago and it was done by some of the most prominent people in the community. That is how some of our prominent people got so rich. Today they are using this one and the next and what is happening? Nobody worries about scruples anymore. Nobody worries about their neighbour. It seem this greed has taken over. They are not content to live with a little bit, they want to kill you and take away what you have too. This is what is happening on this Island.

It is the Executive Council, the Elected Members charged with responsibility by the electorate of this country, to look out for people who are lawfully in business. When people come to me I feel bad because I can only do what I am doing now, that is talking about it. I am in the minority. They could never say, after my speech today, if it is recorded properly, that I am being biased to any one side. I try to balance it but when we need to protect our people it must be done. It must be done! It is not happening. I have two small businesses myself and I fall into that category.

Every day somebody else is opening up the same thing. This cannot work with 25,000 people. There is only so much to go around. While we are a free enterprise country, and will continue to be if I have anything to do with it, we have to look objectively at what is happening around us with small businesses. How many more stores selling clothes, how many more people selling real estate, doing maintenance, or selling leather goods? Madam Speaker, our people are being hurt.

The Member for Commerce and Trade must do something about this. When you pick up these estimates, you hear a plan for 1992 - I am going to get to that later on tomorrow morning, God willing - but you do not see anything there along this line.

The Immigration Law which we are trying to bring about - and

by the way when they say that this Member has not done anything, ask them who passed that motion. It should have been finished now. That motion was passed in 1988. This is 1992, well on the way to another election. But that is an aside.

You cannot very well blame the Third Official Member. With all due respect to him, he is diligent but sometimes he comes to committee meetings and one Government Member is there. Let me say it cannot do us any good to come in here, sit down at a committee meeting at which time we have the majority. We might do what we want at that time, but as sure as we do something one day, Mr. Benson, the Member for Education, comes back with some convoluted nonsense, the Member for Commerce listens to him and the other two on the other side say, "Aye," and they do as they please and change what we did the other day. It does not make sense. It does not make sense.

They are the Government. They have seven Members, plus one on this side all of the time. The three Official Members are forced constitutionally to vote with them and the Elected Member over here from Cayman Brac, the First Member, as I said, is well plugged in and lit up at all times, can get anything done. Yet they have not finished this Immigration Committee. It should have been done a long time ago because this is one of the things which affects our country from top to bottom. It affects the small businesses. It affects people's working relationships. It affects people's growth in their jobs. Everything!

This is something that we need to have finished a long time ago. Those four Members over there are off to the four corners of the world while our people suffer. While Nero fiddled, Rome burned. Then they say we are unreasonable. It is not the fault of the Backbench. It is their irresponsibility, their incompetence and mismanagement which causes our people to suffer so. I cannot fault, in all good conscience, the Third Official Member. He has been a good Chairman. A whole year wasted on constitutional changes and they would not even discuss it. I am going to enjoy sitting down, counting my votes, beating their pants off. I am going to enjoy that. I know it is going to happen, God willing.

Madam Speaker, I am worried because I have never seen so much despair among our people. Business people are hurting and I feel terrible when people come to me and tell me their problems and I can do nothing about them.

Madam Speaker, I want to move to a significant area. I wish to deal with some of Government's expenditures as outlined in the Estimates. It is said that they, that is the four Elected Members of Council, have worked hard to cut expenditure. Of course there has been a failure to control expenditure in the current year which has been significantly higher than the Government estimated.

There has been a tumultuous roar from the Elected side of Executive Council about curtailed expenditure for next year. They are so seriously concerned about their political future that they are determined to make at least a show that they will do better in the future. So we hear much about the cuts in what the Department submitted at Budget preparation time. This is what happens all of time. This is the experience every year. The departmental requests are always cut. The Heads of Departments put their budgets up, the Financial Secretary has a heart attack and cuts it. Too much expenditure. So this is done. This is nothing new.

The relevant figure, of course, in connection with expenditure is the amount of increase compared to other years. Not the amount of cuts made in requests at Budget preparation time. But we on this side know and the country knows that this Budget is very much incomplete.

Madam Speaker, many Government Services and projects are desirable at any given time but obviously the Government must have some test beyond mere desirability before it introduces a programme. The Government cannot do everything which is desirable anymore than we as individuals can do everything that we feel is good for us. Clearly the amount of money that the Government undertakes to spend must, in some way, be related to the circumstances of the country and the effect that such expenditure will have on the economy and on individuals.

Admittedly, this involves a matter of judgement at any given time, yes. However, there has to be a line drawn. We must pay attention to the physical factors which affect the productive capacity in the country.

It has been agreed that Government expenditure these last few years has been rising more rapidly than revenues. It is now affecting business enterprises and individuals in the country. Today the relevant question is and I believe the Honourable Financial Secretary agrees with this, is what expenditures may we take on at any one time?

As I said, this Budget does not tell the truth because the Hospital expenditure is not mentioned and Cayman Airways (CAL) is not mentioned. If they get lucky enough to borrow money, the Government must guarantee it. As I might have said before the amounts for Cayman Airways is not adequate for we know that it will take a much more substantial sum to pay the case in which GPA has received judgement in London against them. While in West Bay (as an aside), in 1989 they said that CAL was a private company and they could do with it as they pleased.

However, today they are singing a new tune and they are pretty well in tune. You are an organist, Madam Speaker, you are a musician. You know alto, tenor and bass. They are over there singing a good chorus line, all singing the same thing, CAL has no one to turn to but Government. That is what they said in their debates.

Madam Speaker, I said this Budget is a hoax and it is irresponsible to come here without making the country aware just how much we may expect in increased expenditures in 1992 on those two items.

But I want to deal more fully with what these Estimates contain because it is just as irresponsible for what it contains as much as for what it does not.

We have heard much about their fiscal prudence. You have the Member for Communications and Works bawling over there chastising Members on this side about his expertise.

Well, you know what I think about their upside down economics.

Madam Speaker, they have acknowledged that we have and are still experiencing a recession. Other Members have also said that now is not the time for taxation and increased expenditure. They have asked us what areas we could cut. It is proper for an Opposition Backbench, as we are, to concentrate its attention at any time on the level of Government expenditure. We do not prepare the Estimates but the Executive Council has to agree to allocate its resources to various items and purposes or it would not be in the Estimates.

So it is nonsense for the Member for Communications and Works and his colleagues to ask the Opposition Backbench where restraint ought to be imposed. That is the responsibility of the Government and if they are not prepared to exercise that responsibility, we on this side can offer a credible alternative. It is not difficult to provide a credible alternative to a most incredible Government.

As far as I am concerned I would cut in these years when finances are poor heavy equipment which for next year is an estimated \$377,000 especially seeing that for the same item we spent \$707,200 for the current year, \$1,017,038 in 1990 and in 1989, \$944,082. That is enough heavy equipment to start a war with. What are they doing with it? That is a total of over \$3 million.

Let us look at another item which I would cut, Vehicles. An estimated expenditure of \$336,000 for 1992. For the current year, 1991, \$137,273. For 1990, \$625,033 and for 1989, \$446,425. That is a total of over \$1.5 million. When I look at the age of cars which I see them replacing, I have to wonder about these expenditures and I have to wonder about this new found fiscal prudence that this Executive Council claims they have.

**MOMENT OF INTERRUPTION - 4:30 P.M.
STANDING ORDER 10(2)**

MADAM SPEAKER:
suspension of Standing Orders.

It is now 4:30 p.m. If we intend to sit later we will need a

SUSPENSION OF STANDING ORDER 10(2)

HON. THOMAS C. JEFFERSON:

Madam Speaker, in accordance with Standing Order 83, I move the suspension of Standing Order 10(2) to allow the debate to continue until 5:30 p.m.

QUESTION PUT: AGREED.

**STANDING ORDER 10(2) SUSPENDED TO ENABLE THE HOUSE
TO SIT UNTIL 5:30 P.M.**

DEBATE ON THE BUDGET ADDRESS CONTINUING

MADAM SPEAKER:

Please proceed, Honourable Member.

MR. W. McKEEVA BUSH:

Madam Speaker, I thank you. I cannot say that I can thank the House at this time because I really do not relish going on until 1:00 o'clock in the morning. Nevertheless, I have to carry on.

Madam Speaker, as I was saying I have to wonder about those expenditures. They are replacing 1985, 1986, 1987, and 1988 cars. I could go on, and on, and on. Where will it end? That is just for cars, for vehicles. In a recession year, in a year when they have to tax our people all of us personally know that we have to drive our old cars, or 1986 and 1987 used cars. These are things which should be looked at and cut in a recession year. In a year in which you are making money, you buy, just like you do at home. You do not go out and buy when you do not have money.

Let us look at another item which could be cut, Office Furniture with an estimated expenditure for 1992 of \$158,061; for the current year, \$193,806 will have been spent. For 1990, \$153,804. That is a total of over \$500,000. We examine another item which I would cut. For 1992 for Office Equipment here they have estimated expenditure for next year of \$168,762, while we spent for the current year, \$169,894 and for 1990, \$153,553. Madam Speaker, for Office Equipment that is a total of \$492,209.

Again in another item which has steadily increased each year and one which they say they need, that is consultancies. We find for expenditure in 1992, \$1,233,136. You know for people who know so much about everything, this is really ridiculous. This expenditure brings the amount spent on consultancies to a total of nearly \$4 million. You hear them say they need consultants. They have had a consultant for everything. If they buck their toe they want a consultant to tell them how it happened. This Government has been doing nothing but consulting with foreign experts. I do not knock that. You know they called me a fool, the grass cutter. They should leave the consultants to me then!

Lo and behold with all of their expertise, all of their college educations and all of the other little things that they boast of, they have to get consultants to tell them everything. We just had a consultant for Youth Services. Can you imagine, in this country - I will deal with that later on when I get to that part of my deliberations - for Youth Services the Member for Health, who is a professional as I said on everything, had to get a consultant. It is ridiculous. With some of things all that they need to do is get down amongst their people and see what is happening. It is ridiculous!

I do not knock computers. They are very costly and in this technological age it seems we will have to depend upon them for many years but this is a vast amount and I say vast, quite a bit of expenditure projected for 1992. In this recession year I would have to look at this kind of

expenditure.

Madam Speaker, when we are challenged to find areas to cut I think a prudent and a careful Elected leadership would look at such expenditures in times of such huge deficits and borrowings as we have had in this country. This Budget then, is an admission of poor judgement and fiscal irresponsibility and apart from the burden it places upon our people, it does not amount to very much more than that. As for their restraint on spending it is nothing but an exercise in public relations, at the expense of the Caymanian people, to shore up their faltering campaign for 1992. That is all that it is.

Another area I must question is Government's construction policies. Why is it necessary, in this technological age, to build a classroom for 25 children at a cost of well over \$100,000? Why do we need to spend \$5 million or \$6 million on a school for 300 children? Here I must reiterate I am not knocking the need for the school. I well support the projects and when the Member for Education made that remark this morning about this Backbench calling schools a grandiose project, that is a deliberate untruth. The Member knows better than that. I wish he were here now, I would challenge him. But he is where he can listen. He is dodging. I would challenge him to bring that statement and show it to the House.

We on this side have given him full support in the educational policies for this country because we know that it is down in the doldrums but we did not give him full scale support, we knocked some of it, like the dismantling of the Middle School and some other areas, but he has our full support in things that are going to help this country.

I only wish that I could have gotten that Member to move faster instead of having to kick him into action on that report. He did not put it up. That was brought about by somebody else, not the Member for Education, he left. The education system was in the doldrums and is still in the doldrums and he was not doing anything about it. It took motions from this side of the House to get that Member into action. It took questions to get him going. It took the PTAs in the schools to kick him into action where the building of schools was concerned. Children were placed in the old Town Halls, dying from the heat in the summer when he should have built the classrooms. But he is waiting for next year. Everything is waiting for next year to shore up their weak chances. We support education and we have a good alternative in the First Elected Member for Bodden Town. So the Member must tell the truth. He must not come here to spread propaganda. He is not in his seat. He is dodging around the corner somewhere listening.

Madam Speaker, getting back to Government's construction policies. When we look at what multi-million dollar companies are building today in these Islands the question must be posed: Why not look at new types of building construction? I feel today that new engineering technology must be employed which is just as good as present techniques but less costly. Not only will it save Government in the initial building cost but it would save in the recurrent cost of maintenance.

Madam Speaker, I think it is time that they look at a new way of constructing in these Islands. We cannot carry on these large expenditures and the recurrent cost of maintenance forever. One day it is going to stop, it is going to hurt us. Of course, some friends would not be able to get the lucrative construction contracts that they get if they went to new building technology. And some of the cream off of the top could not be raked off so easily. There are only one or two companies getting anything from Government anyway. Everybody else can tender. They tell you if are not building it for \$15 million, you cannot build. So they are setting it up for one person. This has to stop but it will only stop when we remove the present Elected Executive Council. It is not going to stop at any other time.

Madam Speaker, I was hoping to leave the subject of the Hospital until tomorrow morning but I guess I will have to deal with it at this time. Most Members have touched on the subject of the Hospital and we heard some accusations from the Member for Health about this Backbench not wanting to provide good health care for our people. That is a lot of rot coming from a rotten person. He knows better. We have told him time and time again that he has our support but we are not going to be led blindly down the alley.

All of us want to have proper medical facilities for our people, however, a building will not ensure this. Members of Executive Council have cited several new reasons recently where they feel we should build a new Hospital at the present site which they are talking about. One reason given is that our tourist needs good health care. This is a new twist started by the Member for Tourism and his prodigy over here the First Elected Member for Cayman Brac. It is being built for tourism now. One reason given is that our tourist needs good health care, as if they do not get it now.

In the early stages of this Hospital controversy the Members of Executive Council said, in trying to ward off criticism of the present facilities, "Our facilities have been rated by the cruise line business as the best Hospital in the region." I want to ask the Member for Tourism why then, has it taken a new twist today and there is this big statement about needing it for tourists. Just at the beginning of last year we heard from them that the present Hospital was the best in the region. This is what the cruise line had found out.

Madam Speaker, those kinds of statements only makes me lose more respect for their leadership abilities because I feel those words are only made to try and scare the people into supporting the project. What needs to be done is to ensure that when tourists go to the Hospital they have the mechanism to ensure that payments are made and no one walks out without paying for his services. If I remember correctly, this was one of the problems experienced at the present Hospital, not that the tourists were not receiving good medical care but that they were not paying for it. This is what they told us at the Public Accounts Committee meeting.

We could give all kinds of reasons why we could support building at a cost of \$16 million or \$25 million, which ever it would be. But we must be realistic as to what we can afford and when we can afford it. Everyone so far has said that the site chosen by them is not the best place. Everyone except the Member for Health, who is not only a health professional as he claims but now he is a

professional on swamps too.

The Member for Education says that it is nothing new in Cayman to build on reclaimed land and that is true. This is a notion which started some 20 years ago in these Islands. Years ago people would not go and live in the swamp but they have been doing it for some 20 years now. I would say to him that while the private sector can withstand the cost of building there, our Government, which has to borrow for Capital Projects and which is running large deficits, cannot afford it.

We should be building on the present site and I have said this from day one. Remove the Mosquito Research Unit and expand there. With other available property around the present site it would be less costly. We know that we could get a turn-key operation for around \$7.5 million. But this Member for Health is hell bent on building it up in that swamp. It gives more to his construction friends, that is why. Give me one good reason why that Hospital should be built up in that swamp. It is a rotten deal, a rotten deal this country is getting and we are going to pay.

You heard the First Elected Member for Cayman Brac on this side, he is going to support them he says. This is not new to me. He must support them. He has to support them in whatever they ask of him. He knows the reason why he has to support them. Let me say in connection with the Hospital and the Budget that there has been nothing in the so called studies done for Government to say what priorities should be chosen as far as cost and alternative strategies.

Planning must start with the consideration of available resources because a plan which is not realistic for application to our situation creates mal-distribution of resources. Doctors have told them of the waste of overlapping and duplication of services which we cannot afford.

I am surprised at the Member for Tourism, who likes to call himself a conservative politician and is directly responsible. I am going to talk to him because he is the only one left here this afternoon. We gave him 12 votes on this side. He had the full confidence of this entire House and he let this kind of thing take place when he well knows that they could do better.

Tell the country why they have to do it. They have not told the country why they have to build in that swamp. I put some of that blame directly on him because he had full confidence. He still has some confidence but he is dragging himself down with the other three by association.

Madam Speaker, starting from manpower and budget ceilings involves tough decisions between alternatives, all which need careful costing. This has not been done. That is what the Financial Secretary meant in the Budget Address when he said and I quote:

"Capital investment projects need to be not only economically and financially attractive (in those cases where economic and financial considerations are most important), but also technically, administratively, socially, and environmentally feasible."

This is the Financial Secretary saying this, not the Backbenchers. I do not know how Members of Executive Council can be so twisted, so irresponsible to read everything the Financial Secretary said but fail to point out this important matter. Why? You did not hear them read that did you, Madam Speaker? No, they never read that part. What is more idiotic and irresponsible is for them to take credit for a Budget which points this important matter out and which the same Budget failed to carry any mention by way of figures or otherwise, of their intention to build this Hospital.

Madam Speaker, the Public Sector Investment Committee was set up specifically for the same purpose. It was established to address a perceived, pressing problem - the Hospital will fall into this category - the need to properly prepare, appraise, and screen development projects before they are funded. This is what it says. This Public Sector Investment Planning and Programming and Implementation process, this Committee, is a good initiative. This is one of the things which the Financial Secretary said in his Budget Address that he was taking but they are not following it.

This Public Sector Investment Committee sets out components of projects, capital investment, services provided for, identification, preparation, appraisal, implementation, and evaluation. Under those headings it deals with sectoral programmes such as the Hospital. The Committee looks at identifying, defining, selecting and quantifying as much as possible all project inputs needed to produce the defined outputs and the sources from which inputs can be obtained, calculating or estimating the value of all of the identifiable outputs, actual and potential and calculating or estimating the cost defined inputs.

It assess the manpower, as I said, local and foreign requirements of the projects and their availability. Then it has the financial analysis which included ensuring that the implementing agency will have sufficient funds to implement the project, budgetary analysis, cost-effective analysis, or lease/cost analysis, determining the ability of the project to provide revenues to cover its cash flow requirements and its long term financial commitments, revenue producing projects, evaluating the ability of the project to provide an acceptable financial rate of return on investment, the financial rate of return and sensitivity, financial projections, and selection of appropriate financing methods. This is what the Public Sector Investment Committee is all about.

But since the Public Sector Investment Committee is one of the new initiatives spoken about in the Address and one which we endorse, why are they not following it? Why has this Hospital project not gone to the Public Sector Investment Committee? I want to ask the Member for Tourism that since he is the only Member of Executive Council here today. He says that he is supporting it, as well as the First Elected Member for Cayman Brac.

Madam Speaker, in the Public Accounts Committee I ask the Principal Secretary and I read from the minutes of that Committee:

"Mr. Chairman, I am wondering if the Principal Secretary could say whether the Health Plan has been

to the Public Sector Investment Committee as promised in the Government Minute?"

She replied,

"No, Sir, the Health Plan has not been put to the Public Sector Investment Committee."

A further question,

"Well, why is that?"

Answer by the Principal Secretary, Mrs. Basdeo:

"I think, Sir, it is because the part of the Health Plan that we are proceeding on now, namely the design of the new Hospital, is a matter of Government policy and it has not been put to the Public Sector Investment Committee."

Those are all of the relevant parts that I want to read. Madam Speaker, this is ridiculous. But you know, this is why he calls the Public Accounts Committee a kangaroo court. I doubt that. However, if the Public Accounts Committee, and I would like to tell him and the Member for Education this same thing, if the Public Accounts Committee was a dog court, or any kind of animal court, it would find those two Members for Health and Education guilty on all counts. Guilty on all counts.

The Public Accounts Committee is a responsible committee, we are doing our job. That is why you hear them bawling. Any time you throw rocks in a pig pen the one you hear squealing the loudest, that is the fellow that got slammed. All of the chest thumping that we heard from them is nothing but an exercise in public relations, as I said before, at the expense of the Caymanian people, to shore up their shattered election chances. This does not surprise me because they cannot tell the truth. If it suits that group to mislead the House, they do it. Every one of them misleads the House but let me say that as far as this Member is concerned that matter will not stop there. I can only talk. The First Elected Member for Cayman Brac already says he is going to vote for it.

I will say to every single lending institution in these Islands and those overseas, which Government may borrow from, we do not support this magnitude of borrowing at this time and if they lend this group this sort of money, when the project cannot pay its way, I will not pressure our people with taxation to pay for it. Come what may, if I am in the Government after November, 1992, God willing, then I say to all lending institutions, "Pay heed to what I am saying." I also warn the Health Authority if they go out as an Authority and borrow these large sums of money on their own, be prepared to stand behind with their signatures and be prepared to pay when the Hospital cannot make its payment. If I am a part of a new Government I will then stand behind my statement today. We will not pressure our people by higher Hospital rates, higher insurance premiums, higher taxation and these are the three components that will have to fund the new Hospital.

Madam Speaker, we have heard from the Principal Secretary and the Chief Medical Officer that the deal with the Cleveland Clinic was not tendered and they did not seek comparable prices. Why not? Let me say that the services are no better at the Cleveland Clinic than what it would be at the Cedars of Lebanon Hospital or the Baptist Hospital and when we examine the charges from the Cleveland Clinic in comparison to a place like Cedars of Lebanon we have to wonder why the Member for Health has chosen not to compare prices and I ask him why? Could it be that Jim Conti and the International Healthcare Corporation, with their address at a Post Office box in West Bay - Not mine! Mine is Box 321 - are behind this and are being paid a kickback? Is that the reason why they have not sent it out and compared prices?

Madam Speaker, when we look at what it is costing Government to send patients all the way to Fort Lauderdale where most people do not even know anyone and it is even more difficult for family members to get to sick members of family, it is quite disturbing. There are a lot of Caymanians in the Miami area and I know about churches with Caymanians that would even form support groups but not in Fort Lauderdale. I do not know if many Caymanians live up in that area of the world. It costs \$40 by taxi alone to get there. I speak from experience. Recently my mother had a four by-pass heart surgery and this cost us around \$20,000 at the Cedars of Lebanon. The same operation at Cleveland Clinic costs around \$46,000. It is a rip-off to this country.

The Member talks about merchants here ripping off the Treasury. I wonder what he describes those kinds of charges as? Huh? Is this not a shame. And those Members, the two sitting in this House who support the Government, the First Elected Member for Cayman Brac and the Member who is on Executive Council, the Member for Tourism, sit there and let this sort of thing happen. Why?

The Cleveland Clinic does not have a Hospital. The Cleveland Clinic is a diagnostic centre and then they have to farm out patients sent from the Cayman Islands, which costs this country much more. I tell you I am sick and tired of seeing our Government being ripped off. I am sick and tired of coming here to this House and preaching about it.

I have two minds before I am finished in this debate and I will make up my mind tomorrow morning whether I will move that Censor motion that I have been talking about for so long. I might just move it. At least that would have them all here in the Chamber. I will tell the world that if I move that Censor motion tomorrow morning it will not be against Tom Jefferson, Richard Ground or Lem Hurlston. It will be against Norman Bodden, Benson Ebanks, Linford Pierson, and Ezzard Miller and the Member for Cayman Brac because they are responsible for what is happening in here. They have let this country run aground. We want to find out why those kinds of prices are being charged when we can get just as good service for less. My mother was

treated well. There is good service at Cedars of Lebanon yet we are spending this kind of money, some \$2 million I think it was last year and over \$1 million this year. It is ridiculous.

We know that we are not going to be able to provide tertiary care in this country. I agree with the Member on that part of the policy but we need to look at the programme with Cleveland Clinic and have price comparisons done. It is a rip-off. Commission salesman, that is what we are dealing with. We are in a serious condition. You hear them cursing the Public Accounts Committee. You know why? One of the reasons is because it is the Public Accounts Committee which exposes the nastiness going on in this country, some of which we can get a hold. Ask the Member for Health to explain why the Chief Medical Officer's wife is having something to do with computers on the Health Authority. We know what is taking place but we do not have the votes to do anything about it. All of them should pay because they are collectively responsible and the First Elected Member for Cayman Brac is responsible by extension cord.

It is time that this sort of rot be exposed in this country and I am not done with it yet. They can throw all of the red herrings in my path but one thing I have always been is strong on my legs and they are not going to stop me. We need to do something to clean up this country. Corruption in high offices, that is what we have.

We are talking about going out on a Health Authority, we are planning to give them \$7 million. Let me say I am not going to vote for that amount of money to be given to the Member for Health in an election year for him to run when he does not have the constitutional power to run it. It is against the Constitution. We are not in a Ministerial Government as yet. You read what the law says. It is ridiculous to think about putting 300 civil servants under that Member and giving him \$7 million to start off. For what? Is it going to be any better? Are the Health Services going to be any better because of a building? I say, no. He is running off good doctors. You heard him cursing Dr. Kools here the other day saying that Dr. Kools was not fired because of his speech in the paper it was some other negligence at work. I think they were words to that effect.

What he should tell the House is how that person got there. The person who went to get an operation who was on a three week waiting list and because he was a relative of the Member for Health, he put him on top. Maybe God had a hand in it, I do not know. I have sympathy for anybody who is having a problem and I will assist them but stop playing politics with the health services in this country. That is what is happening.

You hear that they cannot attract young Caymanians to go and train to be doctors and come back to work in that kind of environment. These are the words of the Member for Health. What kind of environment? What kind of environment is he talking about? Is it the one in which he has the health sector now? A better one? Will the policies of constructing a large building attract young Caymanians? Not as long as Ezzard Miller is Member for Health, and not as long as he has full power under a Health Authority. No.

Madam Speaker, what he should be doing is spending his time looking out for present situations. Right now, as I understand it, there is an outbreak of cholera in Nicaragua. Have you heard any announcements from the Portfolio of Health regarding that outbreak of cholera?

We have constant traffic between here and Nicaragua. We have family members there. We have not heard anything about it. Seafood is constantly imported into this Island from Nicaragua. We have not heard anything about it. We know that those who contract cholera, I think 30 per cent, if you give them an injection, is the rate of cure. Yet we have heard nothing.

Some months back I brought a motion here talking about having Public Health Nurses at the airport. That was in the motion but I went on in my speech to talk about the Ports but the Member belittled the Third Elected Member for West Bay and myself about that. What is he doing now? Hiding it. Big problems like that have been pushed under the carpet because they do not want the people to know what is going on. Have you seen any or heard any announcement by the Government Information Services telling or warning our people about it? No, we have heard nothing. Do not tell me that they are doing their jobs. Off on fishing trips in 50-foot yachts with the cartel when they should be doing the Government's business.

They spent time here criticising Franklin Smith. What has he got to do with it? The Member for Health carried on, and on, and on telling lies. That is why I did not sit in the Chamber. Telling lies about how this Backbench made him resign. We knew nothing about it. When we found out, we tried to stop him but that Member is a man, who when he makes up his mind, does what he wants to do. We could not stop him. He tries to belittle everybody. He better look at some of his habits. They are not so good.

Madam Speaker, the Housing Corporation is something which I support. I was a Member but if you remember correctly the Member spitefully took me off of the Committee. You heard him say this morning that the Housing Corporation is at a crossroads. I must ask why? Now he is begging foreigners, those in businesses to contribute. Do you believe that after the manner in which the Member for Health has carried on in this country that anybody with any money is going to put confidence in him and give him money? No, Madam Speaker, that is not going to happen.

The crossroads of the Housing Corporation are in one person, the Member for Health himself. He is responsible. It needs a good shaking up because we have some good people in the Corporation who endeavour to do well but the public will not and let us face it, money is not easy to come by honestly.

Do you think people are going to put their money up just so? They are crazy. They are crazy. They should spend time devising programmes which are really going to help people out. Trying to get money from a source that you get up in the House and say so many derogatory remarks about, it is nonsense to expect that those people are going to give you money. That is his problem.

Madam Speaker, I go now to a new area briefly, and that is the National Trust. I am really happy to see that we have such an institution. Day by day it is becoming just that in its

own right, an institution. We have some good people at the helm who endeavour to do what it takes to preserve history in more ways than one in this country. I want to acknowledge all of those people who are working hard, the Chairman, Mr. Kirkland Nixon, Mrs. Dace Ground, Miss Scharr and the rest of them, as well as the District Committees, who are doing such a sterling job.

I want to promise them, if I may, that a new Government will look more sympathetically on their needs. That is all that I can say right now. Publicly, it is something which I support. I want to say publicly, that it is something which I support. It is needed and it is going to go a long way in this country. Let us give credit where credit is due. They are doing a fantastic job. We wish that the Member responsible was working as hard then education would not be in the doldrums.

Can I call it 5:30 p.m. Madam Speaker?

MADAM SPEAKER:

I think you may.

MR. W. McKEEVA BUSH:

Thank you, very much.

ADJOURNMENT

HON. THOMAS C. JEFFERSON:

House until 10:00 o'clock tomorrow morning.

Madam Speaker, I move the adjournment of this Honourable

MADAM SPEAKER:

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.

MADAM SPEAKER:

tomorrow morning at 10 o'clock.

The Ayes have it. The House is accordingly adjourned until

AT 5:30 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., TUESDAY, 3RD DECEMBER, 1991.

**TUESDAY,
3RD DECEMBER, 1991
10:05 A.M.**

MADAM SPEAKER: 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 II, 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 Speaker of the Legislative Assembly, 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.

Let us say the Lord's prayer together:

Our Father who art in Heaven, Hallowed be Thy Name, Thy Kingdom come, Thy will be done 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.

MADAM SPEAKER: Please be seated. Proceedings are resumed. Continuation of the Debate on the Budget Address.
The First Elected Member for West Bay continuing. You have 46 minutes left, Sir.

GOVERNMENT BUSINESS

BILLS

SECOND READING

THE APPROPRIATION (1992) BILL, 1991

SUSPENSION OF STANDING ORDER 32(6)

MR. W. McKEEVA BUSH: Thank you, Madam Speaker. Out of an abundance of caution, since this is the last Budget for this Government for this House, I seek, under Standing Order 83, to suspend Standing Order 32(6) to allow me to finish my contribution. I do this out of an abundance of caution, Madam Speaker, not that I really intend to carry longer than my allotted time.

MR. G. HAIG BODDEN: Madam Speaker, I would like to second that motion.

MADAM SPEAKER: The motion before the House is that in accordance with provisions of Standing Order 83 that Standing Order 32(6) be suspended. Standing Order 32(6) says: "32(6) No Member at any one time may speak on any debate for any period of time which, exclusive of breaks, exceeds four hours:". The House is being asked to consider, if necessary, the suspension of this Standing Order in order that the Member may complete his debate. The motion is open for debate.

If there is no debate, I shall put the question.

QUESTION PUT: AGREED: **STANDING ORDER 32(6) SUSPENDED TO ENABLE THE FIRST ELECTED MEMBER FOR WEST BAY TO EXCEED FOUR HOURS, IF NECESSARY, TO COMPLETE HIS DEBATE.**

MR. W. McKEEVA BUSH: Madam Speaker, I thank the House for their indulgence. Upon finishing at the adjournment yesterday, Madam Speaker, I had dealt with the Hospital and I had dealt with the indebtedness of the country. I had shown mismanagement in the affairs of Government and I had shown, I think I can safely say, the lack of leadership by the Executive Councillors.

Madam Speaker, recently there was much furore over the

granting of a temporary television licence to CITV. The granting of that licence without going to the public caused much concern to the Members here and a resolution was adopted by the House brought by the Backbenchers to have the franchise tendered.

This was done after a long period of much waiting by the first licence holder, CITV. Government, it seemed, did not want to make a decision after the public outcry of the granting of that licence. It is understood that whoever did it, it was given to CITV with the understanding that he would get a full licence and as far as I can understand some of them even made him feel or believe that he would be the sole franchise holder.

Madam Speaker, it is a good thing that you have a Backbench who is alert because as I said on alerting and waking up the public to what took place, Government had to shift. They finally made a decision, what is commonly known, I guess as a "Solomon Judgement." They gave three licences. I feel that this is utter nonsense because the Government should be responsible enough that when people or companies go to the extent of that kind of investment, they should see to it that they are able to get a decent return.

I understand that investments will probably be in the region of millions of dollars for the companies. I say that three licences for 25,000 people is a ridiculous decision. What it is as far as I am concerned is a no decision. I understand that studies have shown that this country with a population of this size can only take one television company. What Government should have done was to look at all of the licences and make a decision as to who was the best one to give it to. But they had to stay on the good side of Mr. Seales and so they granted him one also because they had used him so I guess they felt a little committed to some sort of repayment. They used him. They used him in 1989 and 1990 when they had him writing in the *Caymanian Compass* an article for the four Elected Members. But I think that it is irresponsible because the country might be able to service one company.

Madam Speaker, I understand that the increase on alcohol is probably based on what the figures were for the last year. This Government does not seem to understand what makes this country tick as far as tourism is concerned. Although they claim to be in favour of tourism, actions taken so far are doing a lot to kill it. If you speak to 15 or 20 tourists coming to this country and you ask them what their feelings are about the country, they will tell you 15 to 20 times that it is a nice place but they do not have anything to do and it is too costly. If you meet 100 people and talk to them, those 100 people will tell you the same thing.

This must tell us something. We cannot carry on not taking notice of what the cost of coming here on a vacation is. Tourists spend, for one person, to come to this country what it would cost them to take three to some of our competitors. Not for heaven's sake can I understand the Government's attitude towards tourism. Madam Speaker, liquor, whether we like it or not, is one of the elements if tourism is to survive. It is nonsense to believe that we could do away with alcohol and have a viable tourist industry.

What I have heard coming from Government is that they are trying to curb the drinking of alcohol. This is what has been told, hypocritically, to make some church people believe that they want to curb liquor. Every election year you see some little flurry along the place where they want to appease the church vote. This Government, as I said just now, is hypocritically attempting this because it was this Government which opened up the liquor licences and flooded this country with liquor shops and barrooms. They gave a licence to every fence post that wanted one.

Some time ago I brought a resolution here asking Government to put a moratorium on the granting of licences but again, they would not listen. They preferred to have a situation where every cat and dog that wanted a licence, could come into this country as foreign competition with those Caymanians who are already had a little business going, could do so. I gave an example of what was happening yesterday. Madam Speaker, if this Government wants to curb the sale of liquor then they should go another route. Education is the key or the answer. Nothing else.

When prohibition was started in the United States, what happened? Alcoholics increased. What is happening in this country is utter nonsense. If it was only going to affect tourists, that is bad enough as it is. However, it is going to affect Caymanians. It is not going to stop those Caymanians who drink so heavily. What will happen, as someone said already, is their grocery bill will have to do down because they are not going to stop drinking. These are the sorts of things you hear from those people who drink.

You hear about a multiplier effect. What happens is Government is going to have to contribute to those people who Social Services now have to deal with because of liquor. It is going to cost them more. I wish this Government would set a decent policy rather than just increasing prices willy-nilly.

Madam Speaker, in dealing with tourists I believe that it is time that Government has a look at what is happening in the cruise ship business in this country. I receive many complaints about what is taking place with the taxis as well as I believe that all Members in this Honourable House have received complaints. One that I want to point out is the fact that we keep inviting cruise ships to come and we say they are making a contribution to the economy but there is very little being done for when they come here to give them an interesting day.

I have spoken to people in the United States that they will really not come back because of that first day on the cruise ship. They feel that there was nothing for them to do. They visited some of the shops, went to the Turtle Farm, went to Hell for half of the day and they were finished. One thing that I know is causing some problems is that when the cruise ships come a lot of the people want to go to the beach for a few hours but they have no beach to go to. A lot of the hotels that are on the beach want the people to come to their restaurants but if the cruise ship people pile in, they tell them they cannot use their beach facilities. This is happening and it is happening while we have a Public Beach lying there empty.

I understand that Government gave the Leo's charge over the Public Beach and they do - or at that time, I do not know whether they are still doing it - they were doing a fairly good job of keeping the beach intact. But I understand that they said that it could not be used for any commercial purposes.

We are going to have to look at that policy in light of the fact that cruise ship visitors are having problems with finding good beach facilities to relax on. Maybe Government, if they so desire - they certainly need it - should get the taxi drivers together and talk to them and say, "Look, if you are charging \$5 or \$6 to take people to the beach, we will allow you to use the public beach, we will charge you a small fee." I think there are some bathroom facilities which must carry some sort of expense. Visitors will not leave this place feeling that they are being snubbed or that their business is not appreciated.

I think Government should look at this because it is something. I do not know whether the Member for Tourism is listening because he is not in the Chamber, but I would appreciate if he would give some indication that he is concerned about this. These are complaints which I have received and I can only take them to this House.

Madam Speaker, yesterday the Member for Education went on to talk about what the reason was why he had to move the motion to include the three Official Members as full Members of the Finance Committee. He took some time to explain this and I know why he took the time to do it. He realises that the people of this country are so bitterly against that action. The excuse he gave, Madam Speaker, was that the Constitution and the Standing Orders were in danger of being breached because no one, except the Government Members, can bring motions to or in Finance Committee under the Standing Orders.

Madam Speaker, I would like to ask that Member what normally took place before in Finance Committee? What took place in Finance Committee was that any Member was able to move a motion and Government was there to reject it or accept it. While the Standing Orders might say something to the effect of what he was saying, the order of the day and the practice and convention of our Finance Committee was that Members were allowed to do, and we did it.

Many times, Madam Speaker, some Members of Government - and to show how devious they can be - would come to a Backbencher, their supporter and say, "Look, I could not get this done. I could not get a certain matter moved at Budget time but in Finance Committee I want you to move a motion for such and such a thing." And the supporter of Government would normally do it. They would get money transferred from one vote to another. That is one aspect of it.

Another aspect is that the Backbench Member could move a motion or make a recommendation and a Member of Government would move the motion. So there was no breach because that was the order of the day, that was the understanding, that was practice and that was the convention. But he would like the country to believe that something new was happening, something altogether strange and that we were going to ruin the country. That is not the case, Madam Speaker. The reason why he moved that was because they had no support. They had to stack the deck, had to stack Finance Committee with those people, under the Constitution, the three Official Members, who are bound to vote with Government in the House, collectively. So in Finance Committee they allow them to do the same thing. He should not come here and mislead the people of this country because he is not misleading the House. What he was saying was for the benefit of the listening public. He should not come here to mislead and propagandise that sort of action which he took trying to make it look good.

The people, as my colleague the Third Elected Member for West Bay said, are going to remember and they will remember very distastefully, very bitterly. Madam Speaker, the Member for Education spent much of his time criticising the former Government for their actions. I did not agree with all of their actions, the world knows that but he went on to say that the former Government had gotten good consultants reports but had failed to use them. He went on to point out the Laventhal and Howarth Report.

If this report was so good, why did the present Government not use it when they got into power in 1984? That is a question which he should answer. Those copies were left for the present Member to use or make use of in any form or fashion. But if it was as good as the Member for Education claimed, why did they not use it? He knows why they would not use it, Madam Speaker. They would not use it for the same reasons that they have gotten rid of everything which they fought against when they were in Opposition, no matter how good it was for this country.

They got rid of the 727s because they fought against them. They are doing away with the Middle School because they fought against that. They could not get the Hospital where they wanted it and spend as much as they wanted at that time, but they have devised new measures at this time and they are going to do what they please. Madam Speaker, the Member for Communications and Works talked about speaking with forked tongues. Madam Speaker, that is a classic example.

Madam Speaker, yesterday I made an announcement to the House of the outbreak of cholera in a neighbouring territory, one that is trading with us even though it is a small amount of trade. I chided the Government and the Member for Health for not taking action and not making the country know of this outbreak of cholera. Well, lo and behold there was a broadcast on Radio Cayman after my announcement yesterday. Dr. Kumar was warning the country that there is an outbreak of cholera and to be careful of what you eat. Madam Speaker, this is crisis management. This is crisis management. If I had not informed the House about it yesterday, would the country have known? Would the country have known? I ask any of the Executive Council Members whether they would have informed the country because it is not something which happened yesterday. This outbreak has been going on for sometime now. Irresponsible, Madam Speaker.

Madam Speaker, I would like to look at Social Services and Sports for a few minutes. Before I go to that, Madam Speaker, I want to just say for the record that this claim, this reckless charge, because it cannot be substantiated, that Backbenchers were trying to overthrow the Government.

That is a serious charge, Madam Speaker, but one that cannot be substantiated. The Member constantly tries to make people believe this but the public is laughing at him, that is the Member for Health.

Perhaps if we had taken a decision in 1989, if the public remembers correctly, we could have blocked everything they had done because we were in the majority on Finance Committee but we did not try to block it. We did not try to remove them. We said, during 1990 at the changing over of Finance Committee, that they should have stepped down.

All of it came through Cayman Airways, Madam Speaker. That was the main issue and the world today knows that if they had followed our advice and not gotten those two 737-400s, this country would have been in a much better position. They can bring in any amount of consultants. They have told the consultants what they want the consultants to say. That is my feeling about what those consultants have said about that deal. Still, the consultants did not say that the deal was the best thing in the world for the country. They said, probably at the time.

But surely, Madam Speaker, if we had had those two 727s, we would not have had that lawsuit against this country. We would not have had some of the other things which have happened with Cayman Airways. And what did they do? The big excuse for changing the 727s was that there was a noise barrier coming down on the 727s. Yet they went, and now they have been forced, to go and get two older aeroplanes, 737-200s, and they have the same restriction. Yet you hear them saying that they are the best managers in the world. They know about the airline business. They know what to do. So, Madam Speaker, what happened is that we had the foresight to see that they were going to get into trouble by signing a lease with no opting out clause for \$115 million. Madam Speaker, I say that my 14-year old son would have done better.

Madam Speaker, in connection with that we heard, on Thursday, from the Member for Tourism that under the guarantee given by the Government of the Cayman Islands to Interfirst Bank of Dallas that Government's liability was US\$40 million. The Third Elected Member for George Town attempted to intervene at that point on the basis that this was incorrect but the Member for Tourism would not give way. Madam Speaker, in fairness to the Third Elected Member for George Town, who had no chance to reply, I think I need to say this on his behalf. The Third Elected Member for George Town was an Elected Member of Executive Council and directly involved in the negotiations and the drafting and perusal of the documents surrounding the leases of the two Boeing 727 jet aircraft dated 1st December, 1982.

Madam Speaker, the Member for Tourism today has those documents. He was challenged why he did not table the Limited Guarantee in this House so that all could see and make a judgement for themselves as to what took place. The Limited Guarantee provides, in clause 1 and 2 and Exhibit A of the document and I quote as follows:

"2.1 The Guarantor hereby, unconditionally, guarantees to the Lessor that the Sub-lessee shall duly and punctually pay all rental and all other payments, indemnities, damages and amounts payable by the Sub-lessee pursuant to the terms, or in respect of the Sub-leases and the Consents (including, but not limited to, any and all amounts that become due pursuant to the indemnity provision thereof); provided, however, that (i) the aggregate amount of money payable by the Guarantor hereunder shall not exceed an amount equal to U.S.\$14,000,000, net of any Cayman Islands taxes; and (ii) the Guarantor shall not be obligated to make any payments hereunder in respect of a Sub-lease and the related Consent until the early of (a) the day after the date that the Lessor or LILL, as the case may be, disposes of the relevant Aircraft pursuant to such Sub-lease and Consent and applies the proceeds of such disposition as provided therein, (b) 12 months after the date that the Lessor or LILL first became entitled to dispose of the relevant Aircraft under the terms of such Sub-lease and Consent, and (c) the date of the notice given by the Lessor under Clause 12.06 of such Sub-lease, after which upon five business days advance written notice from the Lessor, the Guarantor will pay the amount due hereunder in respect of such Sub-lease and Consent to the person entitled to receive the same under the terms of such Sub-lease and Consent.

2.2 The maximum amount of this Guaranty shall decline in accordance with Exhibit A hereto and by the amount of any payments theretofore made hereunder; provided, however, that the maximum amount available hereunder shall be determined as of the time at which the amounts guaranteed hereunder first became due and owing by the Sub-lessee and not as of the time when the same are payable hereunder as provided in the preceding sentence."

Madam Speaker, Exhibit A which is attached to this Limited Guarantee document, shows that as of 1st December, 1982 there was \$14 million and it would have kept declining to 1st December, 1995 to \$1,956,000. Madam Speaker, I think that this makes it abundantly clear that the information given by the Member for Tourism was inherently wrong, could never have been taken from the Limited Guarantee in that the Limited Guarantee document in that the aggregate total amount could not have exceeded US\$14 million and that it declined annually.

Significantly, Madam Speaker, no money had to be paid under the guarantee until the aircraft were sold or after a period of which no sale could be given, or unless there was a breach under clause 12(06) of the sub-lease. A legal implication of these clauses is that after the sale of the aircraft, the proceeds had to be applied toward the amount owing which would thus have been in the excess of \$14 million or the reduced value, depending on when the sale was carried out.

We know that the jets were sold in 1989 for \$12.5 million coming to Cayman Airways and US\$5 million to the Government of the Cayman Islands for a total of \$17.5 million at a time when the maximum guarantee would have been \$10,353,000 and thus would have meant that no amount was

called under the guarantee. In fact there was US\$7.2 million over the amount of the guarantee. I think this sets that record very straight.

MADAM SPEAKER: Honourable Member that concludes your 46 minutes. You can go on as has been agreed upon under the suspension.

MR. W. McKEEVA BUSH: Thank you, very much, Madam Speaker and, as I said before, I thank the House for their indulgence and I will try to move on touching upon all of the areas that I need to touch upon as quickly as I can. I thank the Chair for its indulgence, Madam Speaker.

Madam Speaker, in order to try to belittle Members on this side, Members of Executive Council in this House have been making too many misleading statements. And they talk about political rhetoric! Madam Speaker, they are the masters of political rhetoric and propaganda of the worst kind. We heard, Madam Speaker, those Members belittling the Third Elected Member for George Town and the other Members of the Government at that time about the revenue position and the recurrent expenditure for 1983-1984.

Madam Speaker, the revenue for 1983, as is recorded by the Final Estimates, stood at \$48.7 million and the recurrent expenditure at \$38.1 million, \$10.6 million for the good of this country. That is not the case today. In 1984, the same year that the Member for Education tried to make a big hullabaloo about, the revenue stood at \$53.7 million and the recurrent expenditure stood at \$44.1 million, \$9.7 million for the good of this country.

At the December, 1984 meeting, I believe, or might have been March, I remember correctly the Member for Communications and Works now, who was on this Backbench, criticising the Government because he was against us at that time, he was riding the fence I should put it, in between Unity and the present Elected Government at that time.

In view of so many conflicting statements in the campaign and all that has been said, the Member for Communications and Works now, then the Second Elected Member for George Town on the Backbench, asked a question about the finances. He was told that the Government General Reserves and Surplus stood at \$10,924,154. The Public Debt stood at \$14,903,738. Madam Speaker, that was not such a bad position as we were made to believe. But they made too many conflicting statements and they had me believing some of it in their campaign rhetoric.

I remember correctly and I will give you an instance soon about how they can mislead the public of the country because I have to expose them as they will soon be doing it to me because I am not going to be with them. They use all sorts of figures to try to belittle the former Government and the Third Elected Member for George Town in the eyes of the public thinking that is going to cause the defeat of the Third Elected Member for George Town. But I am going to help that Member all that I can in the General Election. That Member has never been as strong in any year as he is today.

They are doing a lot of things to try to kill him politically but he is going to come back here in 1992, God willing, and he is going to help us make up the Government. Madam Speaker, they have thrown all sorts of red herrings to the public. Yesterday we heard from the Member for Education about some budget that my colleague, the Third Elected Member for West Bay, was supposed to have made when he was employed at Cayman Airways.

Madam Speaker, I remember that old hat being thrown around in the 1988 campaign. They tried to get me to use it but I would not use it. The Member for Education came back and tried to use it again accusing the Member of not producing some budget or leaving out the fuel for Cayman Airways. When we got elected in 1988, in all fairness to the Third Elected Member for West Bay, I asked the Member for Tourism where this document was that the Third Elected Member for West Bay had left out. He told me that he did not have it. There was none to his recollection. I believed the Member for Tourism, he was not telling a lie. They made it up to discredit my colleague and they are still doing it in the hopes that he will lose the election. But we are going to get out of this wilderness and we will be back here in 1992 after November, God willing.

Let them tell the truth, Madam Speaker. Let them stop misleading the House. That is two which I have dealt with so far and I am going to deal with the other two sitting on the Backbench of the Elected Executive Council before I finish today. Misinformation to this House should be counted as a serious offence.

I see the Member for Education grumbling but he is doing his usual thing, saying nothing.

Madam Speaker... (PAUSE)

MADAM SPEAKER: Would the Member like a suspension at this time?

MR. W. McKEEVA BUSH: I appreciate that, Madam Speaker.

MADAM SPEAKER: The House will be suspended for 15 minutes.

AT 11:06 A.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 11:23 A.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed. The Third Elected Member for West Bay continuing but before you do continue, Honourable Member, an extension of time was

granted by the suspension of Standing Orders but the suspension did not indicate the length of time.

MR. W. McKEEVA BUSH: Madam Speaker, if I remember correctly, I said until I finish my speech. If you would get the *Hansard*, it records that. As I said, I am not trying to tax the Chair or Members, but I do have some other areas and that is why, out of an abundance of caution, I sought it from the beginning.

MADAM SPEAKER: Well, I understand that and I know that it is recorded, but I think we need to have an idea of the time because it would not be fair for other Members who have had their allocation of four hours and if you get an indefinite time. I need to have an indication of the time.

MR. W. McKEEVA BUSH: Madam Speaker, I hope that I will finish by the lunch break.

MADAM SPEAKER: Will that be a quarter to 12:00 p.m.?

MR. W. McKEEVA BUSH: No.

MADAM SPEAKER: A quarter to 1:00 p.m.?

MR. W. McKEEVA BUSH: Yes, Madam.

MADAM SPEAKER: If the House is in agreement with that, but it is an undue amount which is being given to you under suspension.

MR. W. McKEEVA BUSH: Thank you, Madam Speaker. I must admit that if I had taken that position when the Government Bench was full, I would not have gotten it. That is why I moved under Standing Order 83, the relevant Standing Order to suspend. And as I said, I am not trying to tax anybody's patience but that is why I moved it and I think the House should live by the motion passed.

MADAM SPEAKER: I am not disputing that fact, Honourable Member, but I must bring it to your attention that if you are given an extension it does not mean that you could go on ad infinitum.

MR. W. McKEEVA BUSH: I understand that but I did say, Madam Speaker, until I finish my speech. I know that the Members of Council are hot because they were not in their seats. They should be here for 10:00 o'clock. Madam Speaker, I want to go on to Social Services and Sports and since I might be taxing your patience I will keep my remarks as brief as I can.

Madam Speaker, I must say that the Department of Social Services has been trying very hard, under the circumstances, and is doing a fairly good job. But it is not hard to see that the Member responsible for Social Services has done but very little to arrest the deteriorating social problems which exist.

In his own words, there has been a lot of wing flapping but getting nowhere. Why is this?

Madam Speaker, it is because wrong policies are in place and also because the Member has not done his job. I am not going to take the time of the House to go through what I have proposed in the past and the country is already well aware of the proposals which I have submitted time and time again in this House.

We go to the trouble to do research. We pass motions, as was done back in 1990 for programmes in the districts for youth and community development.

Madam Speaker, that which has been done which could be said to be an effective programme which addresses the problems facing our communities are very little indeed.

Although motions sought for matters to be addressed earlier, to boost their election chances in 1992, I see where the Member says he is now going to promote the notion of community development as a process by which positive activities for family living and youth can be initiated at district level.

Madam Speaker, why is he waiting until 1992 to do it? Well, this is what my motion called for but he is only seeking to do so from 1992, an election year to promote it when so much was needed to be done and he was made aware of it. We pointed it out to him but no action was taken.

It is very obvious that whatever that Member is going to do from here on will only have a bearing on his election in 1992. That is borne out by his objectives as stated in the Estimates for 1992. It is good for me to read these out.

It goes on, Madam Speaker. I have never seen more deadlines in my life for one election year. He is going to finalise standards for the management of child abuse from "a multi-disciplinary perspective" by June 1992. Why by June 1992?

Child abuse issues existed in this country for years and I have been pointing them out and do you know what, Madam Speaker? The Social Services Department has been informing the Portfolio about it. They have been doing their job but what has the Member done?

We hear this day in and day out what recently happened to an infant, child rape of the worst kind and the Member comes saying that he is going to do something by June 1992.

Madam Speaker, this is why I wanted the suspension because I want to deal with these sorts of things.

He is going to review appropriate case load size for social workers by June 1992. Madam Speaker, time and time again. I think those people know what they are supposed to do. I think what needs to be done is to have a programme where the people can be effective.

You mean to tell me that they are hiring social workers but they do not know how many people the social workers should deal with as a load?

Bad management, Madam Speaker, a do not care attitude about the social deterioration which exists in this country. That is not needed as much as for him to put social workers in the communities where the problems exist, where the teenagers are getting pregnant, 12 year-olds and 13 year-olds, cocaine babies.

We need social workers in our districts to work, to recognise, to find out, to counsel that sort of thing. I have said time and time again the little counselling centre up there in the Crighton Building is doing a good job but that cannot do it. That is just a band-aid effort.

He is going to continue in-service training efforts of Social Service staff throughout 1992. Why? Why has this not been continuing?

He is going to re-establish the Intervention Service Unit by March, 1992. Why by March, 1992? Social deterioration exists now. It existed when he took office. It existed before.

He is going open a second adult day care centre by September, 1992. Why by September, 1992? Why not January, 1992? Why not in 1989, if he was as bright as he would like people to believe?

He is going to break ground for housing units by August, 1991. Madam Speaker, how long in this country have indigent people suffered with no housing? It existed when he took office. It existed before. Why wait until August, 1992?

He is going to open some housing units in September, 1992. Why in September? Why not now for Christmas? Why did he not do it in 1990?

He is going to utilise some house on Maple Road as the first community development centre by mid to late 1992. Madam Speaker, my motion was passed early last year. What has been done to address those sorts of things? In fact it pointed it out to him. What has he done? It is coming by August, 1992. And on and on it goes.

You look through these Estimates and what do you find? They call it a National Budget. Do you know what I call it? I call it their "National Election Budget" because everyone of them has the same thing in it to hoodwink the public trying to make them believe that they have their interest at heart. But all that they are looking at are the polls, the voting station for 1992. And on and on it goes.

In my time in this House, Madam Speaker, I have never seen so many deadlines and this is a Government which we know has refused deadlines in motions put to them. We have put many motions, motions for rehabilitation centres. We have put motions for all sorts of things to address youth problems and they have refused to take a deadline. But lo and behold, Madam Speaker, we find their Estimates for 1992 full of deadlines before the election.

Oh, for a Government that really had social development at heart, we would not have had so many problems in this country which we are faced with now.

We go to the Juvenile Court and the problems which exist there, the people would not believe in this country. You only have to be involved to understand what is going on socially. Those four Members will not take the right steps.

Madam Speaker, in this country today young people are causing problems in schools. Young people who are here on permits. The Juvenile Court is loaded with them. The other day some students beat up a teacher. Students, Madam Speaker, young boys. And what do you hear? It is the parent's fault.

I agree to an extent that we can blame parenthood on a lot of things, Madam Speaker, but what the Government needs to do is to stand firm on their feet and put forward policies that can stop this sort of situation from the Immigration level right down.

Madam Speaker, the drug problem has not decreased. In fact, it has doubled. What do we find in the Estimates? In 1989 they had \$250,000 for a rehabilitation centre. Last year there was \$50,000. In this year's Estimates, nothing.

We hear that they have initiated the Quest Programme in the Schools. This is something which I support. I think that is a joint effort between the Lion's Club, CASA and the Education Department. I support it but you and I, who are parents, know and realise that we can only hold our children - in the old Caymanian language - around your frock tail, for so long. After that, society takes over to an extent.

Parenthood, yes, has a lot to do with it but when we see the ganja boats, the cocaine boats which are flowing into the North Sound and all around, that is not the parent's fault, it is Government's duty to do something about it.

I tell you, Madam Speaker, that we are facing a serious situation in this country because we only see the surfaces on the little things that make it to the newspaper pages. The rest of it, representatives and other responsible leaders in the community are faced with it day in and day out. The sale of drugs continues.

Madam Speaker, I am not going to say that some in the Police Force are not doing their duty but I believe a more sincere effort needs to be taken. Do you see, if there is, Madam Speaker, I have not found it, any assistance for a boat to patrol our shores for 1992? If there is, I have not found it. Whose responsibility is this? Is this the responsibility of parents?

Madam Speaker how long have I been calling for proper family

planning? I wonder how much of that has been done through the schools when we find the teenage pregnancy rate so high? That is something which is needed. I have called for it but they have paid no heed. Instead they put stumbling blocks in my way after I pass motions here in this House. What have they done?

Madam Speaker, we see big announcements about programmes whenever something has started. We see money spent on cocktail parties to start them off, even give some of them a passport. But when something as important as the Drug Council, where programmes would be discussed, overhauled and their value scrutinised has not met in over a year, how can we effectively decrease the use of drugs if the problem is not constantly evaluated?

What are their answers to this, Madam Speaker? Time and time again you hear them say that if they do not behave themselves they must pay the penalty, they must go to jail. Well, it was strange on the election eve to hear the Member for Education saying that sending people to jail on repeat trips is not the answer.

Ha! Madam Speaker Ha! Ha! This is what we have been telling him since he came here in 1984 as the Member responsible for youth. But what has he done? He has done nothing. He has passed on his trait to his protegee, the new Member and what has he done?

Madam Speaker do not tell me that we cannot do something about it. If we can force people to take a urine test by law, we can force people to go to a rehabilitation centre. If we can make it mandatory to send people up to the jail for a urine test, we can force them into a rehabilitation centre. Not for six days, or three weeks, or four weeks because people hooked on drugs, cocaine and what have you, cannot be rehabilitated in four weeks. What they are doing, is only doing something to say that it is being done.

This needs to be tackled on several fronts. First we need to stop it from coming in, then we need to educate and rehabilitate. Yes, it was very strange indeed to hear the Member for Education, on the eve of this election year, come to this House after denying for so long that it is no good sending the repeat offenders to jail. But where is the action to back up their words?

Madam Speaker, I wish that there was something that I could do to rehabilitate that kind of mentality.

Madam Speaker, it is clear for one and all to see that the Member for Social Services and Health, who is responsible for some youth services, is not doing his job. When they should be doing their jobs they are on some fishing trip on a 50-foot yacht with their friends over on Picadilly Bank.

He is simply not doing his job. We ask questions in this House which they should have at their finger tips and we cannot get an answer from him for six months questions about his Portfolio. Here is one in my hand asked in June. When did we get it? November 22nd. Ridiculous.

They like to increase their salaries and say that they are giving the civil servants an increase but they are not doing the work. A lot of wing flapping and getting nowhere.

Madam Speaker, I do not know whether we needed a consultant to tell us what is wrong with our youth because all of us profess to be professional or profess to be leaders and having put ourselves up as leaders, we should know what our problems are and we should know what steps should be taken to remedy those problems.

Yet we find and we have some of them over there who constantly brag about their college education, telling me that I do not have one, yet they have to find a consultant from Timbuktu to tell them what is happening to the little boy in West Bay.

Yes, Madam Speaker, they are doing a good job all right. They are doing a good job of wasting money. They are doing a good job of doing nothing.

All that I can say about Social Services is that I believe that the people of this country have had enough of the present Government and I believe that the people are going to kick them out. I, hopefully, will be the Member responsible for Sports, Social Services and Community Development.

With God's help I intend to do something about these things but my people know that I can only do what I have been doing. Finding the problem or seeing the problem, being acquainted with the problem, trying to address it in the House and when it is not done, I do what I am doing now, criticising the Government. That is the job of a responsible Opposition Member.

Madam Speaker, Sports which falls under the Member for Education is in the same doldrums as is Youth Services. We have a Sports Council but as we have heard it has not met. This Sports Council has as its members people who could offer advice on sports, its needs, how to make it better and more useful to the country and so on.

The Member disbanded it. Why? He appointed the members to the Council but he is not calling it, he has disbanded it. Why?

The action on sports from this Government has been very pitiful indeed. Some of them, the only time they become interested in sports, is when they are asked to kick off the football at the start of the season or to go on some trip with some group to get their faces in some paper. Otherwise, he sits on the sideline and watches it go down. Outside of what members in the private sector have initiated, the country is at a loss from the Members in action.

Madam Speaker, some years back, when dealing with sporting facilities, I was trying to get a motion passed to construct a velodrome. What has happened? Nothing. It would have cost \$250,000, around that. The Member for Education, who at that time was the Member for Sports and is still the Member for Sports today, has done nothing. No care, no concern, no ideas of how to get things to going. I wonder, Madam Speaker, whether that Member is also getting a consultant for Sports too?

Recently, just a few days ago, one of our star athletes, a cyclist, a medalist, one of the country's first, Mr. Perri Merren, was knocked down while cycling on the road. He is in serious condition. Madam Speaker, if we had that velodrome that would not have happened. I hold the Member

personally responsible because I am tired of knowing that things can be done. Let us make an effort to do something. Do not tell me about not having any money. I see too much money being wasted in Government and these things not being done.

Madam Speaker, our young people constantly receive a lot of criticism but when we have so many who are trying to do something positive and those of whom are trying to do something constructive, as a Government we should do all, stop at no ends to encourage them by at least giving them proper sporting facilities. This is the future Cayman, yet there is such a no care attitude.

Madam Speaker, it is a sorrowful state of affairs, existing in this country because the country is slowly breaking down. We have seen constantly a decrease in those morals which we once held so dear. I cannot say that is the fault of the Government. No, I would not say that. However, when Government sees things happening publicly, the breakdown which we are experiencing, it must take some action. It should have the foresight too, Madam Speaker. We cannot continue by crisis management. Every time something happens, there is a little band-aid effort.

Madam Speaker, I come now to deal with my last subject, that is, my constituency. The District of West Bay, since 1988, has suffered. There has been nothing much done there. When we come to the condition of the roads, they are terrible. What do we find, in spite of efforts by taking the Member down there with all of his staff and even the television crew, what do we find? Nothing. Nothing done for the constituency after pointing out to him those places which do not have roads, those homes to where the fire truck cannot get. They do not put any money in the Budget for them. What is the use of taking the time to show the Member our problems when we get so very little action?

We had, Madam Speaker, roads which were in fairly good condition re-paved, while roads which are public roads and severely dilapidated were not touched. Roads that we fixed up in between 1984 and 1988 which need attention, their second application. But what has the Member done? He used the money on sidewalks for Jennett Street and making a right turn to come out on Shedden Road.

Madam Speaker, that is going to cause traffic problems and I want to say this while I am at it, that is only going to compound the problem which was recognised when they made North Sound Road a one-way street. This was pointed out to them and to show you their deviousness and the politics that the four of them play, when that was being done by the previous Government in 1984, what happened? The group of them got together and opposed it to make North Sound Road one-way. They got in and they did it. As was said and planned by the previous Government it helped, because it took traffic off of Shedden Road and Eastern Avenue. But now this large expenditure is going to do what? It is going to compound the problem. And come to think of it, the Member for Communications and Works came into this Honourable House and told us that he had an agreement from the businesses there to pay for the roads and then came back to Finance Committee and said he could not get any money from them.

Madam Speaker, it is the height of deception and the Member for Communications and Works should apologise to the House because he came to the House making those announcements, making us believe that he had it in his hand, what he said was he had the agreements for them to pay. Yet he came back here recently, some time in October I believe it was, or early November, to get money for these people. Yet you hear about their honesty, about their responsibility but he would come here and mislead the people and mislead the House. That road, when it is finished, is going to cost this country \$1 million while I cannot get road works for my district, not new ones but I cannot even get the old ones that are so dilapidated fixed. They say that my time should not be extended here today because they do not want me to tell the public these sorts of things.

Madam Speaker, that motion was passed and I am going to take my time and deal with it. That is why they do not want me to speak. They do not want their sins exposed. They do not want their dirt exposed. I am tired of it. People cannot get to their homes. Sometimes it is through the Fall, during the rainy season when there is lots of water that the Government builds up the public road and it floods people's property. They cannot get to their homes dry footed. So Government should take steps to help render these people's problems right. One million dollars for something which should not have happened. And he comes here telling us that he had the agreements when he knows he did not have them. Yet they say that the Backbench is irresponsible. Madam Speaker, they better look that word up in the dictionary and find out what it means because their whole life is irresponsible.

Madam Speaker, at the same time that we proposed to buy Pedro Castle we proposed also to look at Hell. What has happened? They have done nothing but put stumbling blocks in my path with the purchasing of Hell. We know that all of the property known as Hell is a tourist attraction. That unique little Post Office called Hell Post Office seriously needs upgrading. I brought it to the attention of the Member. Has he done anything about it? It needs other kinds of help. On cruise ship days the Hell Post Office gets 10 buses with 30 people plus taxis and we only have one clerk. One clerk. It is a shame and the tourists are becoming disgruntled and are complaining. The taxis drivers tell me so and the bus operators tell me so. What is he doing about it? We cannot get our Post Office, the little one that is bringing in revenue called Hell, fixed up. The little clerk down there cannot get any assistance. The West Bay Post Office, the main branch, seriously needs looking at for renovations or building a new one. We agreed on this. What happened?

We find that they took our money for this year and gave it to the First Elected Member for Cayman Brac for his votes for them. Next year they have no money in the Budget for our Post Office, although the Member for Communication and Works told me in the early stages that it was there. We have no money in the Estimates for the West Bay Post Office.

Now the other day, Madam Speaker, I asked him what is happening about it in Finance Committee and the Member made some answer about having approached a land

owner there for parking. They want to claim that the Post Office does not have enough parking. I think they are saying that it only has something like six or seven parking spaces. Well, how much traffic do you get at a sub-Post Office at any one time? They blamed it on Planning saying that Planning is giving them problems with it. I cannot see how they cannot give us that Post Office with five, six or 10 parking spaces but they can rent out that building down there for a restaurant to one of their political supporters with no parking, a restaurant that will house probably 60 people at any one given time. Re-election, Madam Speaker. Their re-election chances are what they are looking at. Who are they trying to help? It is not me.

Madam Speaker, they do not have a problem with parking. I am here to tell the Member that. He did not do his work. He did not do what he promised me he would do. When they came to me about this parking problem, I said to them, "Go to Mr. Spurgeon Ebanks because he has a large parking facility. Go to him and discuss the issue of fixing the parking lot and allowing Government to use it." This was the understanding I thought was going to be done. Instead, the Member did not do that, yet came back to the House a couple of days ago and said the negotiations initially entered into with one of the proprietors next to the proposed Post Office fell through.

Madam Speaker, what a lot of rot. What a lot of misinformation to this House and what a lot of politicking. They did not approach Mr. Spurgeon Ebanks to do any sharing of parking lots. They just did that for one church in George Town. This is good when the Government and private sector can work in conjunction together like this to save money. What they wrote and asked Mr. Spurgeon Ebanks was to sell it. But they knew, in writing that letter to that gentlemen, that he would not sell it because they have a small supermarket right there. But the reason they wrote that letter asking about sale is so that they could come back and say that negotiations fell through. They did not go to him with our agreement which we agreed upon that they would jointly share it. They wrote the letter asking him to sell it. Yet the Member comes here and misleads the House. And they had the nerve to say that the Backbenchers do not tell the truth, the Backbenchers are not responsible. Madam Speaker, I say to them go and get a dictionary and find out what truth and responsibility mean. They have no commitment to West Bay. I know that.

Madam Speaker, we heard about two sports fields which have been sitting there doing nothing while our children kick football on the roads. That was another thing for which stumbling blocks were put in the way. We had a master plan to develop that whole area and what did they do? They put the football field in but left half of the pond there, a prohibiting factor. They know. They wanted to get the public up against me because they know that I pushed the project but that has fallen on hard ground. They are not hurting me. I have done my best and when you do your best, angels in heaven cannot do any better.

It must be going on two years now, since 1987, that that was started and it has been completed for well over a year at least and what has happened? In conjunction with that they went and cut the basketball and volley ball court in half which we had there for our young people. It was being used at the time, this is what is hurtful. You could go down there at night and 25 or 30 young people would be playing on those courts. And what has happened? The Member responsible to get the road to the school cut it in half. He promised me in May, I think it was, that it would be finished by July or in several weeks, at that point. Nothing could be further from the truth. Yet they say that I am not doing my job. What more can I do when the Member for Education and the Member for Communications get together with their voodoo trying to put stumbling blocks in my path? I can only point out the problem. But constitutionally they can stop it or let it go ahead.

Madam Speaker, a few months ago back in June or July, I cannot remember when the House met, I asked the Member for Education a question about the schools when the new classrooms were being built. I asked him if he had visited the school, he said, "Yes." I asked him if it had windows, he said, "Yes." Well, when you go there what do you find? One hundred feet of wall and two or three, maybe four, five-foot by two-foot windows. The children and teachers are dying with heat. It is unbearable to teach and for the children to stay there. What is going to happen now? He said that they are going to knock out the walls and put in new windows.

Madam Speaker, is this fiscal prudence? Is this responsible Government? Is this good representation by the Member for Education, who is not only the Member responsible for Education but is also the Second Elected Member for the same constituency? I am here to tell this Honourable House that he never went there. If he went there he would have seen the problem and he could have moved to correct it. Now he chides the Third Elected Member for West Bay about it but it is a fact that the Member did not have the concern to go to that school and do something about it. He would not even see when it was supposed to have been built in time for the children to be in school by September. He never had the concern to do anything about it. It was the Parent Teachers Association, the Third Elected Member for West Bay and myself who kicked him into action in July of last year.

That is why education is suffering in this country. That Member flounders like a chicken with his head off, going hither and thither and getting nothing done while our children must suffer for it. Yes, I am happy that we could get the classrooms built. I am not happy with the cost, I am not happy with the manner and way in which it was built, and I am not happy about how the Member is treating our district.

Why did he not do something about it? Now he comes here criticising the Third Elected Member for West Bay talking about his education. And what does he say? He is not an architect, he is not a carpenter. But when you see a problem right in front of you be responsible enough to take action. In this case if he had the concern he could have saved the country the money that it is going to take now to knock out all of those walls and put in windows. It is a shame to know all of these mistakes are made and compounded because he does not care. Then he comes here and tells me that there is no use of my talking because nobody is listening to me. Well, I believe he has another guess coming. If the knocking on my door, Madam Speaker, and the telephone calls and other polls within the district mean anything, I am riding high. And that is what has him worried.

Our District Clinic needs serious attention. I dare say that all of the district clinics need that attention.

MADAM SPEAKER: Honourable Member, I would ask that you would not bawl or shout into the microphone because I went home yesterday with a headache. We can still hear you and we know how you feel but please do not bawl because I am getting a headache. Thank you, very much.

MR. W. McKEEVA BUSH: Well, Madam Speaker, let me explain to you what happened. If you had said that yesterday then I would have reduced my volume. But what happened yesterday was that they cut down the volume and when I asked about it nobody seemed to know about it and what happens is that when the volume is cut down, I automatically turn up my volume and it hurts my throat then too. But if somebody had said something, Madam Speaker, I would have cut down my volume.

I do not know what more complaints I would get now, Madam Speaker, because I have gotten them all. I cannot talk loud. If I am smart enough to get my suspension without the Members being here for me to make my points, they want to take that away from me. By God, have we gone undemocratic?

With respect, Madam Speaker, I will keep myself down. Contain myself. But I hope you understand what it is that the Elected Member is not getting these things done and then being told from the other side of the floor that you are doing nothing. I heard the Member for Communications and Works shouting. I did not hear any attempts to stop him.

Anyway, Madam Speaker, I will bow to your ruling.

MADAM SPEAKER: Thank you.

MR. W. McKEEVA BUSH: Madam Speaker, the district clinics need attention. And what is happening, I doubt that the Member has even paid a visit to the constituency to see the conditions under which his nurses and his doctors have to work. And when they did come to West Bay, he said he came, but I do not think he came, I think he sent Jim Conti's crew down there to look at the situation with the clinics back in 1989, and nothing has been done since then. We had a big announcement about how they were going to upgrade the clinics. Four million dollars spent on consultancies but we cannot put the district clinics in a condition in which people can feel comfortable when they go there.

Madam Speaker, we have asked them and they had agreed to buy some property for a public beach. That is the only piece which at the time was available. Since then, and it is a logical place to go, Madam Speaker, right on the corner of Town Hall Road and Northwest Point Road because the adjoining properties could be purchased in future years for expansion and parking. It is no use in having a public beach if people have to block the road. What happened is that the Member for Education threw a monkey-wrench into that when they found out that I had made this proposal.

Some of their family members got together and offered one little strip of property further up the street just north of a restaurant known as Mr. Wilbur DaCosta's restaurant, The Silver Sands Restaurant. I am wondering since they have blocked the purchasing of the piece that I recommended, what are they going to use for parking because next to that is a house owned by one Richard Burrell? Politics, Madam Speaker. The four of them play more politics than any Backbench Member. But I guess these things will not be done until a new Government is sworn in and that is going to happen.

Madam Speaker, as far as my constituency is concerned, we have been doing all that we can to get facilities and needed work in that district. We cannot do any more. We have written letters, we have taken the Member down there, television crew and all and we have made suggestions time and time again. We have pointed out their mistakes and what is happening? Nothing. Very little has been done. The only thing that I see for West Bay is the school because that is so public that it must be done and that is the re-election hope for the Member for Education. He knows that there would be such a public outcry again if he did not continue with the school programme. It would be really tough for him politically. That is the only reason not that the concern is there.

They are going on a plan now, taking some \$94,000, this is the second year that they have had it in the Budget, to take the parking from the Town Hall to make an exit and an entrance for the present school. This is a waste of money because if we have agreed that the Town Hall will serve as a Community Hall and we have renovated it, where are you going to put the cars? There is not enough parking there now, Madam Speaker, much less taking some of it for an exit or an entrance.

What they should do, since they need a new clinic, they could put the exit or a new entrance over by the new classrooms. I guess, Madam Speaker, it is difficult for you to understand these things because you really do not know the situation. One of these days I am going to invite you to come have a look too.

Madam Speaker, it is a shame that West Bay has been so neglected during the past three years, seeing that we have a Member on Executive Council. I remember both times this was the big election propaganda talk that West Bay needed a representative on Executive Council and the best one is the present Member. What was it called? "Oh, we needed to give him a seat on Executive Council so that we could have a better say for West Bay."

Has West Bay gotten a better say? No. West Bay is the black sheep of the country. Instead they take out money, give it to the First Elected Member for Cayman Brac for voting for them and build a Post Office in North Side when the district population is declining. The beknighted eunuchs cannot do anything about the population.

Madam Speaker, they say that we are playing politics. That budget is their National Election Budget. It is not a reasonable budget. Madam Speaker, I say to the Elected Member for Education there is a great day coming when he will be weighed in the balance and found wanting. There shall be the cry, "Too late, too late." There shall be wailing and gnashing of teeth but the people have already said, "Away with him, away with him, for we know him not." That is what has them worried not my shouting. The polls. They know their polls are down.

In closing, this country has faced and is facing severe problems. We are faced with a deteriorating economy. There are some people in these Islands who do not know what foreign capital means to these Islands and there are at times a lot of things said and a lot of things done in this Honourable House which will give the foreign investor reason to ask himself whether these Islands want his business.

The Stamp Duty Law is one large contributor to our revenue and whenever Government ad hocly tampers with it without warning bells to the public, doubts will arise.

The increase to 10 per cent has weakened our position but this does not surprise me because it was said by one Member of Executive Council in the past that the sale of land should be stopped and leasehold policies should be introduced. This helped to kill the Bahamas, which some of them know so much about. This would put the death knell on our economy but if the increase of years to Safe Haven is any indication of what they can do, I pray to God that we never allow that policy to surface.

Madam Speaker, the more foreign capital coming into the country, the more Caymanian workers, businesses and entrepreneurs would be able to accumulate capital of their own so that they can participate more and more in the development of their country.

I say that we need foreign capital of the right kind to carry on our development. Not foreign capital of the kind that will help certain people get some business. We must not close the doors to investors from outside in areas where Caymanians do not have the capital or the expertise to develop. Some people do not want foreign capital where they cannot benefit personally. The Government, the four Elected Members, have shown a large degree of irresponsibility and incompetence in managing the affairs of these Islands.

The poor conditions existing today are not because of world conditions and not because there happens to be a recession in the United States, while that does contribute. It is because of bad management, bad policies and irresponsibility.

I have always held, unlike the Member for Communications and Works and his colleagues, that yes, the vagaries of the United States economy does have some effect on us but because of our type of economy as a banking centre and as a tax haven, with the right attitudes, the right policies and the right state of affairs, a lot more investment would have found its way to these Islands rather than the decline we have experienced. Investment money goes where it can find the best return, the best home and if these Islands do not fit that bill than that money will not come here.

I would take note of the world conditions as having some effect but we have made it and we can continue to make it. It will take good judgement, sound policies and a reasonable philosophy. I say that this Government is sadly deficient in those regards. When we do not have one Member of Executive Council getting up here and chiding the business community about stealing insurance premiums then you have another who is saying something else about them, who is cursing the Chamber of Commerce or something else.

You cannot expect growth of investment with that kind of mentality. It will take a good Government to get us back on the right track. I am worried most of all about that. But most of all it will take a giving up of that peculiar trait which is so common to some of them, which causes good investment to stay away from these Islands. I will leave them alone to figure out what those traits are. The public knows what they are. If anyone thinks that this country can get ahead, can develop without foreigners and their investment money, they are sadly mistaken and fail to understand what has brought us this far. We, Caymanians and foreigners alike, must continue working together as working partners for a stable future.

Madam Speaker, this Elected Government has failed this country. Social deterioration has increased. Crime is seriously on the increase. Drug usage is on the increase. Education is in the doldrums. Sports and sporting facilities are lacking serious attention. Tourism is falling. Cayman Airways is in a financial shambles. There is some unemployment. Our people are losing the gratuities which are rightfully theirs. Foreign capital investment has declined because of the high-handed manner in which they are dealt with and the lack of understanding by Members of Elected Executive Council. The Elected Members of Executive Council are who make this country tick.

There is corruption in high offices which also has the effect of smearing this country internationally. Revenue is decreasing. There is a large amount of over-spending and very little to show for it. There is a serious growing indebtedness creating a shaky financial base. There is growing taxation further damaging the pockets of our people and creating further imbalance in our competitive position as a tourist destination and a financial centre. There is spiralling inflation at over 10 per cent and rising.

Madam Speaker, if this Government is allowed to continue down this road, it spells financial disaster for the future. It all amounts to one thing. It is a conveyor belt to direct taxation, income tax and property tax or some other form of taxation, as the Member for Communications and Works is contemplating a tax on the \$400-odd billion which passes through this country each year. All of which, and I should say as an aside, if that Member is so reckless to touch what is known as I think the Euro dollar, that paper, it is not even paper money, it is paper, if this Government is so stupid or so foolish, so reckless to touch that dollar, it spells the financial disaster for this country. I charge them today with it. I say that this is what they are trying to do.

You heard a lot about the GRIPS Committee. I say to this country that I am a member of that Committee but I have rejected all of their financial proposals because they spell

doomsday for our economy. I dare them to deny it. I dare them to deny what they are contemplating, all of which is reckless, irresponsible and spells disaster for our country. There is only one remedy whether I speak softly or whether I shout. There is only one remedy and that is to remove the four Members of Executive Council. And if I could get a vote I would move the amendment to the Bill to censure them but I could not get the vote. They would force the three Official Members to vote with them. They are reckless. They are irresponsible, they are not financially prudent and they are going to wreck this country further creating disaster.

Madam Speaker, I agree with the popular Calypsonian from Barbados. "Benson is a bee, Norman is a bee, Linford is a bee, Ezzard is a bee, stinging everybody. Stinging them left, stinging them right, stinging us morning, noon and night. All of them are bees stinging everybody."

Thank you, Madam Speaker, and I hope that I have not bored you with my speech.

MOMENT OF INTERRUPTION

MADAM SPEAKER:

May I now call for the motion for adjournment?

ADJOURNMENT

HON. THOMAS C. JEFFERSON:
House until 10:00 o'clock tomorrow morning.

Madam Speaker, I move the adjournment of this Honourable

MADAM SPEAKER: The question is that this Honourable House do now adjourn until 10 o'clock tomorrow morning. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM SPEAKER: The Ayes have it. The House is accordingly adjourned until tomorrow morning at 10 o'clock.

AT 12:45 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., WEDNESDAY, 4TH DECEMBER, 1991.

