

**MONDAY
7TH OCTOBER, 1991
10:07 A.M.**

MADAM SPEAKER:

Prayers by the First Elected Member for Bodden Town.

PRAYERS

MR. ROY 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.

MADAM SPEAKER:
resumed.

Please be seated. Proceedings in the Legislative Assembly are resumed.

OBITUARY

Mr. Arthur D. Bodden

MADAM SPEAKER:

Before we continue the Business for today, Members are all aware of the death of Mr. Arthur D. Bodden, father of the Third Elected Member for George Town, Mr. Truman Bodden. The funeral services will be this afternoon, at 3 o'clock, and Mr. Truman has asked that Members be informed that seats will be available if they attend the funeral.

I would also like to take this opportunity of placing on record the Legislative Assembly's heart felt condolences to the family of the late Mr. Arthur Bodden and I know that Members will concur when I ask the Clerk to convey these sympathies in writing to the family.

Mr. Bodden worked for many years in the Government service as a wireless telegraphy officer and I know that I was involved very much with him when Government first began to have the Government Bills printed, he was very assiduous in his work and did everything to the best of his ability. And I would ask Members if they would now all stand and observe a moments silence.

(The House stood in one minute of silence.)

APOLOGIES

MADAM SPEAKER:

Please be seated.

Apologies for absence have also been received from Mr. Truman Bodden from today's sitting and I assume we are not sitting tomorrow but he had said he would be absent for two days.

The Business continues, continuation of the debate on the Report of the Consultants on Cayman Airways Limited. The Second Elected Member for Cayman Brac and Little Cayman, continuing. I would say that it is in order for the Chair to comment that in view of proceedings being brought by Guinness Peat Aviation, that any debate on that matter should be avoided since the matter is in the Court, so I would ask Members to bear that in mind. Thank you.

Cayman.

The Second Elected Member for Cayman Brac and Little

GOVERNMENT BUSINESS

DEBATE ON THE REPORT OF THE CONSULTANTS ON CAYMAN AIRWAYS LIMITED

(Continuation of debate thereon)

MR. GILBERT A. McLEAN:

Thank you, Madam Speaker.

When the House unnecessarily adjourned approximately two weeks ago, I was referring to the Report by the consultants Aviation Services Ireland, or in short ASI. Before I specifically refer to that particular paragraph, I would like just to comment on the report in the Caymanian Compass of Wednesday, 18th of September, where I am quoted as saying or it is said in this article quote: "He agreed that the recommendation of a 19 seat large cargo capacity plane for inter-island services reminding the House that there are three Islands."

Madam Speaker, I think that for that report to simply make that statement and leave it there certainly leaves unsaid other points which I made regarding the service to Cayman Brac and Little Cayman.

In brief summary what I said was that, "the consultants had recommended one or two 19 seater DeHaviland Twin Otter aircraft", and if these were the type of planes which could best serve the flights to Cayman Brac, particularly providing the service which is needed in that more baggage can be taken by a smaller aircraft, then indeed these would seem like planes which we should have or Cayman Airways should have. But certainly I would not for one moment like it to be thought that I, in anyway supported any idea of jet service ceasing to Cayman Brac. In my opinion, and the scenario is set in the consultant's Report that, jet service could be used up to four times per week and I most surely support that idea.

It must be noted at this time that rather than the situation improving (where Cayman Airways has five jets now at its disposal), it has been cut back severely in the service now offered by jet aircraft. This area, it has also been noted by the consultants that, there are generally poorly timed jet schedules and really even with the reduced flights this has not in any meaningful way been changed. The schedules frequently change, they noted, and that has not improved since the company has had the benefit of the observation of these consultants.

I am quite concerned about this naturally and I trust that by some strange condition, be it whatever, this will be rectified by the management of Cayman Airways, or indeed, the Member responsible for Cayman Airways taking into account that there are certain social economic and political factors involved in providing proper service for Cayman Brac and Little Cayman, indeed inter-island service. As there is a new hotel coming on line or is expected to come on line in December of this year, it becomes even more a necessity for having this service improved. I trust that someone will take note of this. There are more aircraft available so it would seem that there should be some improvement in this area.

The situation with the inter-island route shows that in the analysis, the opinion of the SH&E consultants, that the service can be considerably improved, in fact, if one accepts their opinion fully supplied with necessary services and if their recommendations are taken it can reduce costs or losses from \$1.9 million to as low as \$759,000.

To say the least, I think the charges presently paid for a 15 minute flight between the Islands here is high but they have pointed out that should the cost on the ticket be increased by \$5 more and putting into effect their recommendations for the aircraft movement and using the type of aircraft they have suggested, the \$759,000 could be reduced by \$300,000 more. Considering the service given at present, with the ever changing unreliable schedules, I personally believe that the travelling public would be prepared to pay \$5 more for improved and efficient service.

My concern also is that with the uncertainty surrounding Cayman Airways, it is the responsibility of the Government, of the Member responsible, to find out if other carriers that are flying into these Islands would be interested in flying through Cayman Brac from north, or indeed, from Grand Cayman through Cayman Brac returning north with stops there.

While Cayman Airways may feel that it has a definite right to the business on the inter-island routes, the people of Cayman Brac and Little Cayman, should be given as fair a chance to have as much air service as Grand Cayman enjoys. I seriously suggest that other carriers, and I mean foreign carriers, be approached or enquiry be made through the proper channels to find out if they have an interest in so providing a service. I could see it as assisting the tourism situation as the airlines would be in a position to do packages with the hotels there and more improved and hopefully dependable service could be provided.

Moving from that point to the point I will return to the point I was discussing when the House adjourned because the Government could not accept one of their own sitting in the Chair for a brief while, and in my opinion hoping to give Cayman Airways time to fix what it has broken, which was paragraph six on page 16 of the ASI Report. This particular observation of the consultants makes perhaps the most specific observation which tells us something about the management of Cayman Airways. Now, I presume, and in the past these consultants have clearly said they were unable to lay their hands on any specific proposal documentation for past and present key expenditure decisions.

That seems to be off-hand, perhaps not that great a concern but if one thinks of the millions of dollars, which has been funneled through Cayman Airways, the millions of dollars which it has spent since they have disposed of the 727 aircraft, and the money which has been spent in terms of guaranteed loans to the airline, that is most significant.

It means, for example, that there is no documentation to show what happens in the decision making process when Cayman Airways entered into a lease arrangement for the two 737-400s. How could such be done without some records being produced to show who had been involved, what sort of advice had been given by the Board, by the Managing Director, by this Executive Committee. Personally, I think it boggles the mind.

The question which could be asked is, why was no such

documentation produced? One could also ask the question, did no-one have responsibility for producing that such documentation? Did the Government, did the Member responsible, did the Executive Council know that there was no documentation for that particular deal of such magnitude? It raises lots and lots of questions. What it does, I think, is to continue this process which has been established very effectively by the Government. Not that the public believes it, that no-one is responsible for anything.

It has been said by many that President Nixon would never have been impeached had the tapes been destroyed, but certainly it is real difficult to find anyone guilty in Cayman Airways, apparently, of creating records.

The Aer Services Ireland (ASI) Report has made certain recommendations as far as finance and expenditure goes and they have made a recommendation to create a Finance and Expenditure Committee. This committee would deal with matters - a committee, not one individual - up to \$10,000. This would apparently eliminate someone, somewhere, spending serious sums of money, without any records and it would bring into focus more thought process into the need for cost savings and the need to keep a handle on expenditure.

I do not think the Member should have any doubt that this Report will gain acceptance in this House and I wonder at this time if anything at all has been done in the management of Cayman Airways, to set such a committee in motion or in place? For this has to be one of the most necessary things to be done in Cayman Airways. It also recommends that any expenditures above \$100,000 would be approved by the Board. What I wonder is what was the Boards involvement or what is the Boards involvement in all of the large expenditures which has gone on over the past several months and indeed over the past year and a half?

Someone has to be responsible for what has happened in Cayman Airways. One cannot blame something called a company. There were people involved with it, who are still involved with it, who have disposed of the money which has been spent from that company and which now has it in the present situation. The country is wondering who is responsible, I am certain, Madam Speaker, I wonder who is responsible and what role did the Board, did the Executive Committee, did the two Managing Directors of Cayman Airways play?

It also raises the question if the Board knew that Cayman Airways or the Managing Director or the Executive Committee was committing to \$620,000 per month and if they did, what did they say about it?

What was said in terms of developing and preparing that lease which Cayman Airways entered into? What legal advice?

MADAM SPEAKER:
please?

Honourable Member, could we pass over onto another subject,

MR. GILBERT A. McLEAN:

Madam Speaker, when you say to another subject...

MADAM SPEAKER:

To another point.

MR. GILBERT A. McLEAN: In this area of finance, the ASI Report recognises that Government is the shareholder in Cayman Airways because the Report clearly states that annual capital estimates should be prepared by Cayman Airways three months in advance and should be submitted to Government. So, if that is the case, it seems like the consultants agree to a large extent with what has been said time and again by at least seven Members of this Backbench, that Government's involvement is necessary, it is the condition which exists and certainly Government must be held responsible for the acts of Cayman Airways, ultimately.

It does not coincide with what the Chairman of the Board and the Chairman of the Executive Committee has to say that it is a private company and the Legislature or Government has no business with it.

What I would wonder, Madam Speaker, in keeping with the recommendations made by the ASI Report is whether there is now in place a General Management Committee which meets each month and reviews the previous month's activities, forecasting the following month's activity, and whether it has an action programme in place to correct the performance of the airline. This must be most essential to the well-being of Cayman Airways and obviously it has not been place up until the time of this Report. As I said previously, this Report is with the Management, this Report is with the Member. Have any changes taken place which would have positive action in the airline or has all the time been spent in recent times trying to wash away the folly of the situation Cayman Airways finds itself in?

Madam Speaker, I wonder if any steps have been taken to relieve Cayman Airways of the people who are presently managing it in the top Management; to replace them with contracted personnel? The Report has suggested that their recommendations might best be implemented by outside personnel. I totally agree because the same people which have brought Cayman Airways to the stage it now finds itself in would hardly be enforcing such recommendations against itself.

Conditions do not really seem to be improving irrespective of what is said by the local Managing Director, and such other statements as have been made in the press or at meetings where Cayman Airways' personnel have been and at least I and others of my colleagues have been present, for I have, just about three days ago, received a copy of a letter from the Cayman Airlines Pilots Association which is addressed to the Honourable Norman Bodden, Member for Tourism, Aviation and Trade. It was copied to all Members of this Legislative Assembly and that letter reads:

"Dear Sir,

This is to advise you that at a recent meeting of the Cayman Airline Pilots Association which represents the pilots of Cayman Airways a resolution of no confidence was passed against the present Executive Committee of the Board of Directors, Managing Director and Mr. Tino Gonzalez, who we find to be negligent in the execution of their assigned duties. We feel that the present financial situation Cayman Airways is in could have been avoided had certain steps been taken earlier.

Communication between the Board, Managing Director and ourselves has been non-existent and had two of our members been sitting on the Board of Cayman Airways more insight into the day to day operations of the Airline could have been gained enhancing the performance of the Company. It is high time that the light be seen so that our communication barrier can finally be broken and technical expertise be offered from our members where an abundance lies.

We are prepared to help save the company but we feel that the above changes have to be made, thereafter once honesty and integrity is displayed and employee confidence in Management is regained the Airline will be on the road to Financial recovery."

That letter was dated 18th September, 1991. So it seems that even though the Government has had a long recess in which to do things at Cayman Airways, the conditions have not improved.

The problems of Cayman Airways have not come about because of any of its equipment. It has come about through people. While there are a few who would act rashly and have, there are others dedicated to seeing Cayman Airways survive and seeing it continue to serve these Islands, as it should. But the question is, What is being done by Government and indeed, what is continuing to happen in Cayman Airways and when will the Members responsible and the Executive Council take steps to remove the Management of Cayman Airways and put new persons in place to carry out the recommendations of the consultants? There are 346 persons employed by Cayman Airways and what we are talking about are 346 jobs of people in various stations of life in this society who are at risk due to the bad management of this airline.

The airline for example, notes that there are more managers in the Finance Department than they expected. One would expect that there would be one Manager of Finance and others would indeed be filling various functions within that section or department. But apparently the consultants were told that these are working managers. What that is really supposed to mean is left to everyone's imagination. It seems quite obvious though, that even though there are so many managers there sure is not a lot of record keeping of financial affairs.

In improving the situation at Cayman Airways, the consultants have recommended certain staff reductions; eight to 15 posts, which is not a very high number compared to the overall numbers employed by Cayman Airways. It is my understanding that during the course of this Report more persons have been employed, so that number could well be larger. One wonders if someone from the outside has been brought in to take a look at this and to see precisely where there may be staff reductions. Or, is this being left, as I am told, still in the hands of those persons who are mismanaging the company to decide, or to victimise someone whom they do not like, or whom they believe spoke out about the poor management?

A standard process in any organisation or company is to provide job descriptions of functions to do staff redeployment and redistribution of work and functions. I dare say that no such steps have been taken by Cayman Airways to date. Yet, the debts continue and unhappiness and dissatisfaction of staff continues. When one looks at the breakdown in this particular ASI Report of the salaries, it becomes a bit ludicrous because the two top Management posts, in one instance the Managing Director, is paid 30 per cent more than he should be receiving and the other Managing Director in Miami is paid 25 per cent more than he should be receiving.

Madam Speaker, I wonder if anything has been done by the Executive Council to send directives to them, the Managers, regarding this unacceptable expense? I do not believe so. The only thing that seems to have been attempted is that these two people wanted to cut everybody's salary by 20 per cent rather than cut their own.

In the newspapers we see that this will not be happening now and that is fortunate because undoubtedly those who could least afford it would have suffered the consequences of such a cut. But there is no word on whether the salary of these two people has been cut or whether, better yet, they have been cut out of the organisation. Both of these individuals in these posts, in my opinion, should have their service terminated and be held liable, as is necessary, for any mismanagement of Cayman Airways which brought on its financial predicament.

As we look at the situation as set in the Report we see that the main body of Cayman Airways has not received any increases since 1989 which the Report notes, places them at a disadvantage. I think most people would agree. And, their salaries are found to be low compared to others in the country. Yet, it continues to allow the two top posts to be overpaid.

The Report goes on to note that the pilots' salaries are high by 20 to 25 per cent above the going rates around the geographical area. Certainly the pilots did not pay themselves up to this level. It took the Management to do that and they can hardly be accused of fixing their own salaries. The recommendation has been made that adjustment in this particular area be made over a three year period. It shows

the good sense of the consultants, realising how vital a role the pilots of the airline play, that they did not come on one Tuesday morning and say, "Look, everybody is going to lose 20 per cent of their pay." They suggested that it could be done over a three year period, thus easing the financial impact.

I know a number of the pilots have been looking at the situation and they are aware of the observations of the consultants and they have made certain suggestions to the present Management that they are prepared, in some instances, to fly longer hours and where they were receiving overtime or other perks and so on, that they would forego them. But I have been reliably told that they have made it clear that they would not give up or lose this part of their earnings if they cannot be told where those savings will be going and who will be handling them. It shows their good sense.

At this point I must ask the question (since it has been observed that the company Cayman Airways pays the pilots in US currency), How could that be a sound and financial thing to do? Unless the staff of Cayman Airways is working in the United States where it is natural that they would have to be paid in the currency of their country, how can Cayman Airways afford to pay salaries in US dollars when all of its expenses, which are inescapable, have to be paid in US currency? Would they not want to keep US currency within its revenue and pay in Cayman dollars to Caymanian people working at Cayman Airways? These are things which are real. These are things that are significant and they need to be addressed. I am much afraid that they are not being addressed. The situation is clearly worsening.

Another thing that I wonder about is if there have been any changes or has anyone taken a look or is doing anything about the contracted services? While the Report noted for example, the ground handling, while it was haphazardly handled, they noted that the 737-400 did not need a lot of maintenance as an older plane would and the Report is predicated on looking at that particular equipment when this was being written. But now in addition to 400s there are 200s and 300s.

Has anyone looked at effecting any kind of savings through improving the contractual agreements or indeed writing contracts - many are non-existent - to take care of the situation in operating three other aircraft that undoubtedly do not fall in the same category as the 400s? There were no written fuel contracts whatsoever found in Cayman Airways. One does not have to read widely or to be a genius to know that one of the elements in the world, one of the things in the world which fluctuates the most is fuel. And the consultants make the point that there should be in place contracts in fuel for Cayman Airways, wherever it flies, to try to nail down as much as is possible the cost that is paid for fuel, taking into account that the airline spends in fuel alone, \$5 million to \$6 million every year.

Madam Speaker, recommendations have also been made by the consultants for marketing and sales. They note that there has been no distinct marketing and sales division in Cayman Airways. Is there any question really, as to why this airline is in so much woe when it does not have a distinct marketing and sales division? They recommend a head of marketing. Has anything been done to identify a person, to hire a person, to fill this particular job, this particular role by removing the two top people and the savings from those salaries used to pay two to three other persons? That is very vital.

They speak of creating a situation where there is a head office of the company. The question has to be asked where is the Head Office? I know that for many years while the airline is called Cayman Airways, it was always argued that its main office was somewhere in Miami in the hands of non-Caymanians. I think that this particular recommendation might be a bit upsetting to some people in Government and the implication is there that there should be a head office and that that head office should actually be here in Cayman. They have noted that neither of the two Managing Directors, Mr. Gonzalez or Mr. Thompson, agree too much with that concept. It needs to be done.

The Government, the Member responsible needs to move quickly for the benefit of Cayman Airways in this country to bring about these changes in Management. They carefully note that in coming up with proper marketing and sales strategies there should be a consistent planning policy because there was none. And because there was none is the reason why there was so many frequent changes promulgated by the airline. They are suggesting that schedules should basically be changed twice per year. They should design schedules which they can publish twice per year, well ahead of time. I agree with that. For example, flying to Cayman Brac day-to-day, one would have the benefit of knowing whether the plane would fly on a Thursday or not. Now, one can never tell.

ASI also makes the point that the Department of Tourism is not a part of the sales force of Cayman Airways Limited. They are similar but they do not have the same objectives. Someone should learn this, someone should understand this because lack of understanding this means that what is happening will continue to happen. The Department of Tourism's objective, it notes, is to meet Island arrival and expenditure targets. Cayman Airways' staff must meet the company's revenue requirements. So it should become clear that while there is a relationship and the SHE Report said that overall it was a good one between the Department of Tourism and Cayman Airways, that Cayman Airways has to become an entity functioning towards its objectives which should be clearly set out, and are not.

I wonder if anything has been done since the time that this debate began several weeks ago and this Report became available to set objectives in Cayman Airways; that is, Government let its objectives be known, if the Board has set its objectives and if the company and staff of Cayman Airways are functioning, understanding clearly what are the policy guidelines and what are the company's objectives? They note the competition with the US carriers are strong, particularly American Airlines which is a large and aggressive operation. We told the Government that back in 1989. We told them about all the other airlines that were coming too, but they said that there was nothing to worry about. Time and events have certainly proven that there were things to worry about and so now we find these Islands and Cayman Airways in a state of absolute uncertainty.

ASI has suggested that a re-negotiation of the bilateral

agreement should take place because it appears that there may be advantage to US carriers which are flying into the Island particularly in the question of air fares. The Backbenchers told the Government that in 1989 too and that they had better look out for that because those carriers, the carriers from the United States from where most of our tourists come, could make adjustments to suit themselves on various legs of their routes and apparently they have. I imagine to re-negotiate the bilateral agreement will mean the Governor going to another mission to Washington to see about this matter if the Executive Council believes that there is any action warranted to be made in this particular recommendation.

Recommendations are made for the freight business of Cayman Airways to be improved, because it is low. Again that automatically fell low by the change of aircraft some years ago and they are suggesting that freight business be improved, that they go out and try to get freight business because they also noted that the passenger loads were below what they should be. Granted they were looking within the sphere of this year's passenger loads but undoubtedly they took note of what happened prior to this year and what forecasting may have been reasonable for they were low. And they have said that before a financial improvement to come about there needs to be an improvement in passenger loads and also in freight. That is a very positive thing that could be done. The question is, has anything been done about it?

It is clear and beyond doubt that in all of the reports, the Aviation Services Ireland Report and the SH&E Report, the problems of Cayman Airways point largely to management. It has always been that way, I suggest from the time of its inception into a full entity back in 1977, 1978, when it was all coming on line. From then it has been a problem and I am not attempting to say that only now it has been a problem. It has always been a problem from way back. But the question is, what has been done to improve it? Certainly not taking one individual who they say is a pilot and he is also the Managing Director, one person to fill two jobs. That does not help.

Certainly not an Executive Committee which, in effect, usurps the authority of the Board and does things which the Board does not hear about, I am told, in some instances and in other instances hear about after the fact.

There must be Government with clear policies, there must be a Board and there must be management if the airline is to operate in a proper managerial fashion. It becomes only too clear that for Cayman Airways to survive in the present environment and in so much uncertainty that management has to be fixed and in fixing management the present management has to be removed. All those who have been in top management positions and particularly over the past two years, have to be replaced with other persons who can implement and enforce the recommendations made by the consultants. The present people cannot do so and in making the changes, I think also that new members should be appointed to the Board.

Now while Cayman Airways suffers uncertainty we have the certainty of another company called Air Cayman. We look at its composition and we see that a civil servant holds all of the shares in it and that we must wonder what role that that truly plays other than supposedly leasing planes to Cayman Airways. I think it is really unfair that a civil servant should have been placed in the position to hold those shares. I think that every Member of Executive should have been made to hold a share and that the civil servant should have been kept out of that position, for one must wonder where that now is taking us and just how legally will that figure in the long run with Cayman Airways and all of the many unanswered questions.

How much liability does this country has now on it? I am not just speaking of Cayman Airways, I am speaking of the Government of this country and thus the people of this country who must pay the bills ultimately and it might be sooner than one might expect. What liability exists? Certainly from what we hear and what we do not hear, there is cause for alarm not least of which is the fact that while Cayman Airways is now supposedly operating five aircraft or is in ownership or in lease agreement with five aircraft, another one is to be taken on in January, 1992.

Where is that money going to come from? Who is going to foot those bills when the company could not manage when it was attempting to operate two? Have tour operators and travel agents become concerned about the bookings on Cayman Airways for this winter? I have caused to believe that they are. What happens if there is a further drop-off in terms of load factor on Cayman Airways? It does not present a very nice picture at all for this country.

I could say much more in this particular area but the constraints as, Madam Speaker, noted before the debate begun, that certain matters relating to GPA and so on which are sub judice, but I can say and I feel absolutely assured about this that what the Government has said to-date, the public seriously questions.

What has been said by individuals in many instances, the public seriously questions because there are too many unanswered questions and to say the least, when this situation with Cayman Airways and its equipment came about two years ago, too many falsehoods were told to the people's Elected Representatives by the people involved with the management of Cayman Airways. When it is all known and when it is all over this country is not going to be a better place because of it, in my opinion.

Let those who attempted to mislead the public into believing deals were too good to be true or that by selling the aircraft, which we had on lease purchase, was a good thing or that getting new planes, namely 737-400s, they would virtually need little to no fuel. And let those people who tried to mislead the public into believing that they had visitors or would be visitors to this Island snared somewhere in North America to guarantee that they would fly here, let them explain those misleading statements to the public and let them tell the public what the true position is with Cayman Airways, with Air Cayman and where this country presently sets financially in its obligation.

In closing, I wish to say that I think I have done my part as far as I could as a Legislator with concern for his country, concern for its air services and other wise by fighting for two years to get a study on Cayman Airways which should have been done 10 years ago.

The detailed study is now with us, recommendations have been made, some vague, some specific. It is now for the Government that put the airline in this fix to do something about it. I can do no more than what I have done for I have no control over the day to day management of Government. I am not a part of it, nor am I in any position to make recommendations directly to the management of Cayman Airways.

In closing, I wish to say that I continue to support Cayman Airways as I always did, long before it was a fashionable thing for the present Government to talk about. And that is far as the Government's finances would permit, I would support a cash injection for Cayman Airways to ensure its continued operation and existence as far as staff and fuel and maintenance and advertising and promotion and so on goes, but most certainly I will not support any payment of the people's money where there may be any Court fines or otherwise involved with the airline.

As far as I am concerned, the management of Cayman Airways is responsible and the Executive Council is responsible. Let them pay. Lastly, I wish to express my fears generally about the financial state of the Cayman Islands when it comes to rash expenditure of the revenue of this country and what I believe is increasing because of certain liabilities of Cayman Airways and in a different quarter, again impending expenses regarding health services in this country, it all paints to me a very ominous picture and I trust that the Government is prepared to take full responsibility and that the people will not become the victims of finding money to pay for their folly.

MADAM SPEAKER:

Proceedings will be suspended for 15 minutes.

AT 11:25 A.M. THE HOUSE WAS SUSPENDED

THE HOUSE RESUMED AT 11:46 A.M.

MADAM SPEAKER:

Please be seated. Proceedings are resumed. Continuation of the debate on the Report of the Consultants on Cayman Airways Limited. The First Elected Member for Cayman Brac and Little Cayman.

CAPT. MABRY S. KIRKCONNELL:

Thank you, Madam Speaker.

Madam Speaker, I rise to make my contribution to the debate on the Report of the Consultants on Cayman Airways Limited. All Members will recall that on the 11th of September, the Honourable Member responsible for Tourism, Aviation and Trade, in my opinion very ably outlined to this Honourable House and to the listening public the contents of the study carried out by the two consulting firms which were employed with the permission of the Finance Committee to carry out a study of Cayman Airways, an in-depth study, I might say. The two consulting firms chosen to carry out this study was Aviation Services Ireland Limited, (ASI) and Simat, Helliesen and Eichner, Incorporated (SH&E).

Both of these firms are internationally well known and highly respected in the aviation industry for their success in their fields. I agree with the Honourable Member that they have presented a well balanced and I think documents which will prove very beneficial to Cayman Airways and to the Cayman Island Government, to the people of the Cayman Islands, to all who are concerned with the welfare of this country and its airline, for the future development of tourism and our airline industry.

I think as we approach this subject we should all realise that Cayman Airways is actually more than just an airline serving the Cayman Islands. The Cayman Airways is a necessary part of the infrastructure of a three island country. The Cayman Islands consist of Grand Cayman, Cayman Brac and Little Cayman, therefore, it is absolutely necessary in these modern times to provide air service inter-island.

In the early days we were satisfied first with sailing vessels, in fact going before that, it is my understanding that some of the property on Little Cayman was taken in by some of our old pioneers, including my great-great grandfather, going up there in canoes propelled by oars. That time has long gone, we graduated to sailing ships, motor driven ships and today we are in the age of aviation. Therefore, I look at Cayman Airways, in addition to being an international connecting air carrier, as an integral part of the infrastructure necessary to connect the Cayman Islands. Without air service the two Islands of Cayman Brac and Little Cayman would virtually be in isolation.

Travel is limited to air travel to and from those Islands now, even there are times when weather does not permit boat transport between Cayman Brac and Little Cayman, although it is only six miles apart. In case of medical emergencies it is necessary to fly the doctor in and fly the doctor out if weather does not permit. So I say this, Madam Speaker, to emphasise to all hearing me today that we are not only talking about an airline as such, but an integral part, I repeat, of the infrastructure or to make the Cayman Islands a functioning country.

AS&I summarises its findings on page three and it says: "Main Conclusion and Recommendation: Given the airline's poor financial performance over the past year we believe that the correct strategy for the airline in the immediate future is to consolidate and optimise its present position in terms of market share, load factor, revenues and costs. In pursuance of this strategy every effort should be made to contain major financial and marketing exposures such as would be created by further fleet expansion i.e. the 4th aircraft due in February 1992. This should not preclude longer term planning for improved operating circumstances."

I underline that. "Findings by Individual Term of Reference" They found, a lack of consensus among parties they spoke to as to what is the real mission and objective of the

airline and they recommended that an agreed mission statement be drawn up between Government, the Board of Directors and Senior Management, as to exactly what we expected Cayman Airways to do, what its function was and how it would be made profitable.

We have seen Cayman Airways grow from the very small, the first in its airline history, I think it was back in the 1940s, that initially Cayman Brac Airways Limited was formed. That was the first adventure of this Government in actually being involved in an airline company.

The Honourable Member is far better qualified than I am to give dates and the historical background but I at that time was serving these Islands as a Master on a little freight and passenger vessel trying to provide a service. So I realise what a terrific benefit Cayman Brac Airways provided and we have grown today into a national airline. As we approach this mission statement I think it is important that we all realise, as I said before, we not only are involved in inter-national air service to and from the Cayman Islands but we are involved in inter-island which is an integral part of keeping the Cayman Islands connected.

I think that should be our number one purpose of Cayman Airways and therefore in the establishment of schedules, inter-Island should not be just an add on or something that can be done later. I think it should be first and foremost the responsibility of the people who are charged with the responsibility for scheduling to schedule proper services to the Sister Islands.

Much has been said about motions that have been brought to this House. Much has been in the press concerning my support, the eight vote continues to surface in the media and I am proud that I have the right to exercise that eight vote and I feel that I have the intelligence to exercise that vote in the best interest of this country.

I would like with your permission to read the Resolve section of the first motion which was brought to this House on the 30th of May, 1989, and the Resolve section read: "NOW THEREFORE BE IT RESOLVED THAT a Select committee comprising of all the Elected members and the Honourable First Official Member be appointed to examine all aspects of Cayman Airways Ltd., including the financial affairs management, equipment and operations of Cayman Airways Ltd., and make recommendations to this Honourable House thereon."

Madam Speaker, again, I crave your indulgence that I may read the Resolve section of the last motion and I would like to make it very clear to this Honourable House that I did not support the first motion because I do not consider myself an airline expert. Maybe I am one of the few Members of this Honourable House that does not, but I know that I am not an airline expert, therefore I do not stand here today to try to profound knowledge that I do not have. I did not support this motion when it came before the House because it simply said that the 12 Elected Members would make this evaluation. I read it.

The Resolve section of the motion which I did support read as follows:

NOW BE IT THEREFORE RESOLVED THAT this Honourable House recommends that the Standing Finance Committee consider and determine whether funds should be provided for the appointment of an independent firm or persons to examine all aspects of Cayman Airways Limited, identifying areas of profits and losses, the financial affairs, management, equipment and operations, including the Cayman Brac and Little Cayman routes;

AND BE IT FURTHER RESOLVED THAT, pursuant to Finance Committee's recommendation of the funds for such an examination, and, subject to the selection of a firm or persons as soon as possible to Members of the Finance committee for consideration; and that the final report be laid on the Table of this Honourable House by the Member for Tourism Aviation and Trade."

As I said, the two motions Resolve sections are completely different. I am glad that I supported the last motion. I think we have good reports before us now and I am confident that they will be dealt with and I hope that they will give us the results that are required.

I again would like to look at the AS&I Report on page 58: "It is recommended that consideration be given to doubling the Government subsidy to Cayman Airways to reflect the actual cost of the operation to Cayman Brac. At the same time the operation should be subjected to close analysis to determine if any cost cutting can be carried out, including any less costly alternatives to using B737 which are less than ideal for inter-island operations." I would like to emphasise that they said that the subsidy should be an actual cost of operation.

I attempted to move a motion in this Honourable House back on the 25th of June which in my opinion would have been of help to the financial affairs of Cayman Airways and certainly of benefit to the inter-island service and I would like to read the motion which I proposed. It was as a Private Member's Motion entitled:

"LOCAL SERVICES CAYMAN AIRWAYS LIMITED.

WHEREAS Cayman Airways Limited provides an essential air service between Grand Cayman, Cayman Brac and Little Cayman;

AND WHEREAS it is preferable to maintain the local fare structure at a reasonable level which will encourage tourists and business travel both locally and internationally;

AND WHEREAS Cayman Airways Limited continues to experience substantial financial losses on this

service due to low yield market conditions;

BE IT NOW THEREFORE RESOLVED THAT Government consider reimbursing the national airline for its operating losses incurred on this service on a quarterly basis;

BE IT NOW FURTHER RESOLVED THAT any such claim made by Cayman Airways Limited be verified by Government's Accountant General."

Madam Speaker, this motion was not brought to the floor of this Honourable House because under Standing Orders a Member of this side of the House requires a Seconder to bring a Private Member's Motion. I circulated a letter to the other seven Members of this side of the House, the non-Executive Council Members and from all of them I received a negative reply in asking that they second the motion. Therefore, I was not able to put this motion before this Honourable House.

MR. W. McKEEVA BUSH:
could have Seconded it.

We did not get one of them, I would have Seconded it. They

CAPT. MABRY S. KIRKCONNELL:
Members are speaking and I would appreciate a similar courtesy.

Madam Speaker, I sit in my chair very quietly when the other

MR. W. McKEEVA BUSH:
House.

(addressing the Member) No, not if you are going to mislead the

Madam Speaker, on a Point of Order or a Point of Clarification, if the Member would give way. The Resolution the Member is referring to was certainly brought to us in June. In June after the reports were well on the way and I felt that the Member being in connection with the Executive Council would have seen those reports or at least had knowledge of what was in the reports and furthermore, and I thought it would have been out of order to bring a motion at that time knowing that we had to come before the House to debate it or to get the reports from the people.

Further than that the Standing Orders say that any Member of the House can second a motion and if they were not trying to trap people into doing something that they should have done he could have got one of them, Madam Speaker, to Second the motion. Any Member of this House can Second a motion.

MADAM SPEAKER:

Honourable Member, that does not appear to be a Point of Order or Clarification. It seems to have been a personal explanation. The First Elected Member for Cayman Brac and Little Cayman, would you continue?

CAPT. MABRY S. KIRKCONNELL:

Thank you, Madam Speaker. I have made my point that I did what I could do, I circulated to the Members of this side, the non-Executive Council Members, and I was unable to bring it to the floor of the House. That is a fact.

I opposed then and I oppose today an unilateral increase on the fares to Cayman Brac and Little Cayman or the changing of the rates to where we will no longer enjoy the common rated fares that we now enjoy on passengers originating outside of these Islands and continuing on to Cayman Brac.

It is my understanding that management of Cayman Airways considers all international revenue earned as revenue earned with destination to Grand Cayman and no consideration is given for passengers destined to Cayman Brac as part of an international revenue for the inter-island service.

I realise that it all goes into the same basket but nevertheless, there is certain passenger traffic which arrives in Cayman Brac and Little Cayman which come specifically to the less developed islands because it is their desire to visit that type of destination and they would not have travelled to the Cayman Islands at all, had it not been that the type of destination that they were seeking, such as for bird watching and the others were available either in Little Cayman or Cayman Brac. So I contend that that revenue would be lost to Cayman Airways in its entirety, not the fact as has been stated by management of Cayman Airways, that Cayman Airways flies the international traffic free to Cayman Brac.

I have patiently waited for an improvement for the hours of traffic. We now have two afternoon departures because of the construction or renovation or resurfacing of the Owen Robert Airport runway, later departures are taking place most days from Cayman Brac and it has become more convenient to the travelling public; that is a benefit.

It is my hope that when this study is properly gone into, and it is my understanding that the Honourable Member responsible for Tourism, Aviation and Trade will shortly be looking into this, that if it is proven that the 737s on four or five days per week, supplemented with a propeller driven aircraft on the other days for more frequency of flights will be instituted, then that would give us the type of service that those of us who live in Cayman Brac and Little Cayman and wish to travel there will have better travelling hours.

I am presently a member of the Grand Cayman Road Improvement Plan Study and we are looking at the necessity of improved road network here in Grand Cayman and I concur that it is absolutely necessary and it is going to incur millions of dollars of cost. I go back to what I said earlier, the same as millions and millions of dollars, tens of millions of dollars are necessary for road infra-structure on the Island of Grand Cayman, then subsidy to Cayman Airways is necessary for infra-structure for connecting

Cayman Brac and Little Cayman to Grand Cayman.

I have had numerous discussions with different levels of management within Cayman Airways concerning its frequent changing of its schedules. You hardly have got one schedule posted on your wall before that runs out and you have to look for another one to replace it. I do not see why this is necessary. I realise that we do not go to Day Light Saving Time, that only happens twice a year, but some of the scheduling lasts only for 45 days and less. I honestly feel that this has hampered the profitability of Cayman Airways and it is something that will cost very little to change and improve. SH&E has also outlined this in their report.

The late John F. Kennedy, former President of the United States, coined the phrase, "Ask not what your country can do for you, but what you can do for your country." I think today we need to ask what we can do to help Cayman Airways. I want to call it to the attention of all Honourable Members that Cayman Airways has been around for a long time and many times in the almost 12 years that I have had the privilege of being a Member of this Honourable House, I have had the opportunity of supporting Cayman Airways.

I remember very vividly today when the decision to lease the two 727-200s was before the Finance Committee and I supported the then Government in power by voting in favour of it. I was told by my then colleagues that I had committed political suicide. Therefore, what I am trying to explain here today is that my voting record in this Honourable House shows that I have always realised the necessity for the continuation of the existence of Cayman Airways. Never have I been responsible for management of Cayman Airways. I have had a responsibility to the people of these Islands and the privilege of a vote of helping to vote revenue from the Treasury of this country to support this airline but I did it realising that many of our young people over the years have chosen the aviation industry as their career.

I realise that it is a demanding profession, it is a profession where particularly the pilots are not usually able to go on, on active duty until they reach the normal retirement age, they usually retire much younger. Therefore, their salaries must be in proportion to their working years and throughout the world that is recognised. But today I am proud and I accept the fact that I have been blamed for voting money for Cayman Airways, but I feel the reason that we can stand here today and debate the future of Cayman Airways is that the Finance Committee of the day voted money to make it possible that Cayman Airways could continue to fly.

I am also aware that some of the extremely high wages that are being talked about today, one particular individual is drawing less money today with the airline, some 10 - 15 years since he was employed, than he was the day he came into its employment and certainly I hope very few of us are drawing less money today than we were say 10 years ago. If we are, we are certainly falling behind with world inflation. So the rate scales of Cayman Airways have always had to be looked at.

What I am saying is that the responsibility of providing air service to these Islands by voting funds in Finance Committee where we have over the last several years instituted a subsidy, I felt was a far more secure way of voting funds, more mature, more sensible, than the idea of just when they could not pay their bills coming here and voting extremely large sums under the pretense that we were buying shares in Cayman Airways.

I think we must be honest, we must be truthful, we must be upright and forthright with the people. This study has revealed that the contribution and I would like to read very briefly from SH&E's Economic Contributions of Cayman Airways to the Cayman Islands' Development. It says:

"Some benefits are readily quantifiable, while others are best addressed subjectively.

Quantifiable benefits include:

- visitor expenditures
- CAL local CI\$ expenditures
- downstream economic benefits (i.e., multiplier effect)
- employment
- inter-island service
- CAL overseas promotion
- reliable/consistent air service

Subjective benefits include:

- facilitation of imports
- increased foreign investment
- increased property values
- positive halo effect
- passenger time savings
- government control

Quantifiable factors have been evaluated on an incremental basis. In other words, many of the benefits provided by CAL would be provided by other airlines if CAL did not exist. These replaceable benefits were not.. please note "...attributed to CAL in quantifying benefits.

The quantifiable benefits attributed to CAL range from \$44.5 million to \$58 million per annum (Table 2.1). They also include substantial employment incremental representing 5-6% of the Islands's jobs.

Even though inter-island services are essential, SH&E found that CAL's contributions are even greater in the areas of visitor spending, CAL local spending, downstream benefits, and overseas promotion. While not numerically measured, clearly the subjective benefits are also very substantial.

Without doubt, CAL provides substantial and virtually irreplaceable benefits to the Cayman Islands. Its value is far in excess of any current or contemplated subsidy or loan guarantees. Without CAL, GDP would be greatly reduced, unemployment would increase, and average incomes and standard of living would be depressed. CAL is an essential part of the fabric of success of the Cayman Islands."

Madam Speaker, I think those words are put there by professionals who are trained to evaluate and present facts. I think they speak well for themselves. There is very little more that I can say on that but I do realise that we must not get up here and say that we are prepared to do this and do that. The important thing is that we put our hearts and shoulders together and do what is best for the Cayman Islands, for Cayman Airways, for all of us in order that we can give job security, travelling security and financial security to Cayman Airways.

Madam Speaker, as we go on we must realise as has been said, there are, I have heard different figures, some say 348 are employed. I understand others have said 250 of the employees live in the Cayman Islands. If, and I pray that that day never comes, Cayman Airways was forced to curtail its operations, let us for one moment stop and think what a disastrous effect it would have.

It would first and foremost be a terrific disappointment to all of our Caymanians who have chosen that as their profession. There is no other airline in need of staff. I do not say that on a one to one basis that they may not be able to get employment with other airlines but certainly it would not be easy.

Let us think of the loss of that let us say \$50 million, to take a middle of the road figure, on an annual basis out of the revenue of this country. Let us think of this number of people being unemployed. Those that are in clerical or ticket sales could possibly equate to some other profession but the mechanics and the cockpit crew certainly would not be able to get employment within the Cayman Islands on a scale of which they are capable of earning and deserve to earn. Therefore, we must look at the serious effect the demise of Cayman Airways would have.

I said earlier that I supported the purchase of the 727-200s by a previous Government and I also supported the lease of those aircraft and I also supported the lease of the 737-400s. I had no crystal ball and neither did any of the others to look into at that time and see the dramatic downturn in world economy that has taken place within the last two years. Many things have taken place. I am sure that not one of whom have criticised Cayman Airways could have realised that Eastern Europe would have made the turn around, the demise of Communism within that block would have come so rapidly; the destruction of the Berlin Wall.

No one ever dreamed that you would have seen a force as large and as mighty as the coalition forces that were put together in the Middle East to turn back aggression there. We are all very fortunate and should thank Almighty God that that did not turn into a global war, which it could have easily done had some of the coalition forces not joined onto what I would term "our side". It could easily have become a global conflict and I dare say if situations in Eastern Europe had not been as drastic as it had and the demise of the Union of the Socialist Soviet Republic had not taken place, their voice would have probably been much stronger and instead of supporting the coalition they could have had their veto power in the United Nations. So to condemn one who voted to provide job security, to continue to bolster the economy of the Cayman Islands and did what looked to be right at that time, is really not being fair.

One of the contributing factors that caused our ratio of the travelling public not to travel on Cayman Airways in my opinion, was a lot of the unfavourable publicity which generated right within the Cayman Islands. Much criticism was given to the performance of the 737-400 prior to taking delivery of the leased aircraft and after they were taken. That discouraged people travelling and a seat that is flown empty that revenue can never be regained. That is lost forever.

It is my understanding that when these planes were brought into operation, Cayman Airways had approximately 65 per cent of the market share out of the Miami gateway and now they have less than 40 per cent. Let us think if we had 90 per cent of that gateway today how much different our profitability could have been. Unfortunately it did not. What I am asking all Honourable Members today is to back the Honourable Member for Tourism, Aviation and Trade as he puts into place the recommendations of this study which includes some professional guidance by I think, two individuals who will further professionally implement the chosen parts of this study and improve the profitability, it is my hope for Cayman Airways; improve the service rendered by Cayman Airways; and be the beginning of an airline that instead of being a political football can become a national treasure.

Madam Speaker, I think all of you living in Grand Cayman that have had the opportunity of choosing three or four international carriers when you choose to make a trip has probably attributed to your lack of real dedication and I say that with respect, to what Cayman Airways is doing for the Cayman Islands. When you live on an Islands 90 miles from the centre of Government where the only airline serving is Cayman Airways then you realise really just how important it is.

I say this today with a hope that it will never happen. I am confident that it will not but if the economy of the Cayman Islands ever took a downturn to where it was not profitable for Cayman Airways' competition to make a substantial profit then Grand Cayman could find itself in the identical position that we, the people, living on Cayman Brac and Little Cayman find ourselves in today; depending

entirely on Cayman Airways getting us to and fro to international and also inter-Island destinations. So I want to emphasise in closing that it is most important that we have all unanimously agreed that this study should be made. I think from what I have heard in the debate all Members, although speaking on different points, have ultimately agreed that it is a good Report and that it should be implemented and I think we should give the support that is necessary in order that we can turn Cayman Airways around.

Madam Speaker, let us not feel because we believe a mistake was made that it should get worse instead of better. Those of us who voted for it voted because it was in the best interest of the country at that time, the country we all love, therefore I ask all Members to support Cayman Airways, encourage your people, your friends, to travel on Cayman Airways and let us increase the profitability of Cayman Airway.

Thank you, Madam Speaker.

MADAM SPEAKER:

If no other Member wishes to continue the debate may I ask the Honourable Member for Tourism, Aviation and Trade if he would like to conclude.

HON. W. NORMAN BODDEN:

Thank you, Madam Speaker. Madam Speaker, I listened quite attentively to the long and wide-ranging debate on the Consultant's Reports on Cayman Airways, although I have to admit it is no simple or easy task to sit and listen to the unnecessary ridicule and outrageous accusations which have been hurled at the other Elected Members of Executive Council and myself and the management of Cayman Airways during this debate that often bordered on the ridiculous, especially when the majority of the Members of this House know full well the conditions under which the airline was restructured in 1978 by the Unity Team Government of the day and the financial difficulties which the struggling airline has always had to face.

Although believing that the change back then had been approached in the wrong fashion, I felt that a change had to eventually be made. Ever since 1980 I fully supported the airline as a Backbencher, assisted the then Member for Tourism, Aviation and Trade in items relating to the airline which were brought to this House. I challenge any Member to factually prove otherwise.

Madam Speaker, it is not that I did not expect that the Consultant's Reports on Cayman Airways would generate a great deal of debate. I have been here long enough to know better than that because I have been here for seven years having to defend Cayman Airways against all odds and I happen to know that any matter pertaining to Cayman Airways that is brought to this House at any time, is bound to be debated at length but even more so just prior to an election year.

The Backbench Opposition just cannot afford to miss any opportunity to criticise Government and attempt to convince the listening public that had they been in charge the airline's crisis would never have developed. The truth is, on examination of the facts, it would have happened earlier simply because they probably would have clung to the 727 aircraft for political reasons because political expediency is their top priority and they actually would not have had one iota more control over preventing the main contributing factors to Cayman Airways' difficulties; war, recession and competition. They would not have had anymore control over that than this or any other Government and this is fully supported by the consultant's reports.

You know, it must never be forgotten or overlooked that what caused or forced Cayman Airways and Government back in 1989 to look around and examine alternatives was because when the 727 were put into service in 1982 no provision was made at that time to build up any reserve funds to cover future maintenance checks that would become due. Of course this enabled the airline to be able to show more favourable operating financial results during that period of time, I guess to impress the public just how well the airline was doing. However, as the records show the time finally came seven years later and that happened to be in 1989, yes, when \$6 million had to be found to pay for maintenance checks which shortly had to be performed on the 727s. But the airline did not have the money to afford this. Government was not expected to find it and so the 727 lease was sold to Alaska Airlines in order for Cayman Airways to rid itself of an expense it could not meet and to provide capital for the 737-400 operation.

The consultants confirmed that this was an excellent and well-timed decision, pointing out in their report the declining market value of the 727 which followed shortly after that transaction as well as the recurrent \$1.4 million annual savings due to the high operating cost of the 727. They pointed out that the 737-400 was a good decision but not necessarily the best that could have been made because it was marginally big for Cayman Airways route system.

Just let me answer here a few of the claims made by some Members of the Opposition in regards to this particular item. It is not correct to say that Cayman Airways paid for the D-checks on the 727. This is not the case at all and for any Member to claim this they are being mischievous or intentionally attempting to mislead the public. In regards to the \$12.5 million which was received from Alaska Air for the 727 lease, a substantial amount was used for deposits and invested in spares and ground equipment which enables the airline to continue in operation today.

MR. W. McKEEVA BUSH:
would give way?

On a Point of Order, Madam Speaker. I wonder if the Member

HON. W. NORMAN BODDEN:

I would like to hear what the Point of Order is, Madam Speaker.

MR. W. McKEEVA BUSH:
D-checks or whether there were any D-checks done or there was a de-corroding done?

Yes, on the matter of whether Cayman Airways paid for the

HON. W. NORMAN BODDEN:

Madam Speaker, I think the First Elected for West Bay has had

his chance and time to debate these Reports and I do not know where he gets his information from. I rely on the Management of Cayman Airways and what I have just told the House is the information that I have. I have no intention to giving way to this Member. He must not believe that he can have all the say in this House.

MR. W. McKEEVA BUSH:

No, but tell us what happen because we do not know.

MADAM SPEAKER:

The Honourable Member raised a Point of Order and what he stated was not a Point of Order he was asking a question. So Honourable Member, would you continue with your debate.

HON. W. NORMAN BODDEN:

Madam Speaker, it must be borne in mind that no one in Government or Cayman Airways invented the problem that developed with the 727. It developed due to the decisions taken by the Government in 1982 and so it can correctly be said that this situation was inherited for which a solution had to found in order for the airline to continue to serve the Cayman Islands.

Based on the prevailing market conditions at that time, in 1989 a business decision was taken. I can truthfully state that based on the information which I had made available to me by the company, the in-house study which was conducted by Cayman Airways itself, the availability of aircraft at the time and the prevailing market conditions, that in considering all factors the decision had my support and was in fact taken in the best interest of the airline to enable it to continue.

Undoubtedly, some people would seek scapegoats or attempt to play pilots if faced with this difficult situation but I choose to tell the truth and to deal with the facts in spite of the accusations which have been made against me as regards truth and facts especially by the First Elected Member for West Bay. But I believe that the George Town people who have elected me since 1980 understand that I am a truthful person.

It is widely known that the airline business is a high-risk business, that it is highly susceptible to fluctuation of market conditions and uncontrollable changes in traffic patterns. Sometimes the airlines, and this is a matter of record, have a very good, productive and profitable year. Other times, because of various factors, the airlines go to the brink of bankruptcy and some of them disappear altogether by those who accept that it is a high-risk business and highly susceptible.

Countries which become involved in this type business must measure their costs by the services it receives in return because as one of the consultants pointed out, in the history of aviation no airline the size of the Cayman Airways has ever been known to be profitable. So surely the Government of the day which took over the airline totally from Lacsca should have counted the cost; they must have. I am certain that this is one of the reasons that the consultants have recommended in their reports that Government should actively seek a partnership arrangement as the most viable and sensible route for the airline to take. Once again, I publicly reject the ridiculous accusations made by the Opposition and any others that the decision to sell the 727 lease was politically motivated. This is utter rubbish.

Madam Speaker, outside airline experts were brought in and paid to conduct a study. A professional assessment has been made putting forward recommendations and giving what I consider a fair and reasonable analysis of the airline, some good and admittedly, some not so good. There are areas for improvement which have naturally been identified as would be the case in any other similar project. But in spite of all of this, all that I have heard is political knit-picking and some of the major points made by the consultants such as the financial assistance needed to stabilise the airline, such as capitalisation and a realistic annual subsidy are being ignored and side-stepped.

Certainly the airline must do its part and several Members who spoke have identified and agreed with those areas where the company must be improved. Steps must be taken to streamline and improve the operation of Cayman Airways but these are only part of the recommendations. There are others which must also be faced and which must be of equal importance to all Members of this House if they truly support the airline as they claim to do.

I would just like to interject here that I do not believe that any other company could be placed under the microscope which could be so carefully and publicly scrutinised that could come out any better, if as well as Cayman Airways has fared in these reports. The difficult circumstances which have arisen in Cayman Airways are not through any fault of Government or Management, not through any corruption or crookedness but through the impact of the adverse market conditions which have caused many other airlines such as Continental, Midway, Pan American and American West to declare bankruptcy.

Trans World Airways, one of the giants, has announced plans for bankruptcy as well. Eastern Airlines and Air Europe have ceased operation altogether and the aviation struggle continues where British Airways, US Air and other larger and well-established airlines are laying off staff and cutting salaries and other expenses back in an effort to survive until the economy becomes stronger.

New reports, at least I have heard a newscast on Radio Cayman which pointed out that BWIA is attempting to raise \$100 million in capital in order for that airline to continue. Air Jamaica, Lacsca and many of the regional carriers are faced with a similar situation. In light of these established facts, how can people become so biased and unreasonable to believe that Cayman Airways operates in a vacuum and that it is immune to all the adverse winds and dark clouds that continue to plague the airline industry worldwide?

This country, in my opinion, is fortunate that it has a Government today and an airline that is not afraid to make tough decisions even if they prove unpopular in some sectors. Making tough decisions is what has kept Cayman Airways in the air today and the decisions necessary to help Cayman Airways survive in this struggle will continue to be taken in the interest of the airline, as and when

necessary. If Cayman Airways does not succeed in this battle it will not be for the lack of trying and until then the airline will not play dead to satisfy the predictions of political critics.

In all good conscience I have done (and will continue to do) my best for Cayman Airways because I am convinced that regardless of what is said, no one in this Legislative Assembly feels about Cayman Airways the way that I do. I grew up with the airline and above all I do not wish to see it fail as so many others perhaps would like to see.

Madam Speaker, I supported the motion which was brought by the Second Elected Member for Cayman Brac and Little Cayman because we had met beforehand and agreed to the procedure that would be followed as I saw the motion then as a genuine attempt to have the airline's operation examined by outside experts with a view to being constructive and helpful to the airline. And so I welcome the study and still believe today that we have received a necessary and worthwhile Report. But it seems to me that these Reports have been used to generate more animosity which this House does not need and cannot use.

To put it mildly, I am disappointed in the treatment these Reports have received. The twists and turns they have been given makes me wonder if we all read the same Reports; the important points which have been ignored; the rebellious allegations which have been made even against the consultants themselves claiming that they were influenced by other people simply because the Reports did not say what some Members of the Opposition expected them to say.

I hold no brief for them. They came here to do a job for which they were paid but in my view questioning the professional integrity of individuals and firms who have no axe to grind and no elections to win in the Cayman Islands does not say much for the accusers. I would have expected better but what I have heard in this House and which the listening public must grow weary of hearing is everyone's opinions and home-made ideas of what is wrong with the airline, who is responsible and who should and should not be fired. The list is un-ending and yet they claim they do not want to run the airline. I have to ask why did we employ these experts if we ignore the majority of their findings?

It is true that the majority of us do agree on the importance of Cayman Airways to the Cayman Islands but yet in the same breath some Members in the past have said that they will not vote one red penny to help the airline financially and then they go on to apply all kinds of conditions which I find to be contradictory and misleading.

Outside experts have established and quantified Cayman Airways' importance to the Cayman Islands fairly accurately. Even though the slur was passed during debate, I did not have to listen to the Second Elected Member for Bodden Town or either the Member before me, with all due respect to him and his memory, to find this out. I happened to know this just as well, or better than any of them but it is good to have this fact documented by outside professionals. I want to remind the House that the Terms of Reference were agreed upon by the entire Select Committee not just me alone.

If all of this talk and debate on the airline was helpful to Cayman Airways, it would be time well spent. But in my opinion, dragging every bit and detail of the company's business through the streets and pages of every newspaper is bound to be harmful. It is demoralising, dangerous and detrimental and this alone shows the need to reduce Government's involvement in the airline and thus remove it as far as possible from the political arena.

Now some Members have been critical of my taking this position regarding the effect of politics on Cayman Airways but bear in mind that this is not only my view but the expressed opinion of the consultants as well. And they have documented it. I read from page 12 of the Aer Lingus Report:

"We also believe it to be the case that Cayman Airways, presumably because of its size and importance in the Cayman Islands context, receives an undue amount of local attention and comment in the media and among citizens in general. In one sense this is good and to be applauded but to the extent that it may damage the external image of the airline or indeed undermine staff morale it requires careful monitoring. In brief allowing the airline and its management to become a public political issue can have a destabilising influence on the airline's future prosperity."

Regardless of what is said publicly, no one can convince me that if Cayman Airways existed under a different political climate where there was better harmony in this House, its problems, which the poor airline has had from its inception, would not today be so magnified. It would not be the political football that it has become. Its problems, I believe, would be approached and resolved in a more supportive fashion.

Some Members have chosen to blame the airline and Government for various developments in the airline. One of them was the route extension and the development that the airline took over the past several years - the route extension and their related costs while ignoring what the Reports had to say about the substantial contribution this makes to tourism by attracting visitors to the Cayman Islands who would not otherwise come to our country. They blamed the shareholders and myself (who I see as the representative of the shareholders) for not becoming more involved with the operation of the airline, ignoring again what the consultants had to say about Government resisting the temptation to run the airline no matter how inclined it may be to do so.

I know that much has been said about the shareholders being inactive but I have always adhered to the recognised and established business relationship between the shareholders, the Board and Management where policies and major proposals were considered and if supported by the Portfolio, were taken to the shareholders, as when necessary. Some Members claim that the routes should be cut, there should be a scaling back, when the Report in fact, points out that down-sized survival is unlikely to be

successful because of the sizeable overhead cost needed by any airline regardless of its size, plus the fact that revenue drops much faster than costs can be reduced.

Members continue to harp on the sale of the 727 lease and the profit the airline made in the financial year 1988-1989, once again ignoring the facts placed before them in the Report which fully supports the decision. Let me say here once again, the profit was not due to the type of aircraft, the 727 at that time, but due to the fact that the market conditions were totally different when Cayman Airways enjoyed a near monopoly in the marketplace during that period.

Just let me make one other point here. It is worthy of note that the same Chairman that the airline has today was there as a Director and later as the Chairman for part of that financial year 1988-1989 when the profit was made. Some Members call for the Chairman, the Managing Director and the Vice President North America to be fired, they must be replaced. Let me say here and now as I have already told the Elected Members of this House in a meeting held on 29th August, the Chairman and Managing Director have my full support. I believe that they have done and are doing their very best for the airline under difficult, trying and adverse circumstances. In the face of a monumental task they have so far been able to keep Cayman Airways Limited continuing to provide a safe, dependable and reliable service to and from and within the Cayman Islands and with God's help, this will continue.

They should be encouraged and supported when one fully appreciates and understands the wide complexities of operating a small airline like Cayman Airways and which maintains the high standards which Cayman Airways maintains which were commented upon most favourably by the consultants in their Reports. They are honest, hard working men who have my complete confidence and trust.

The Chairman, Mr. Cruickshank, like the Chairman before him, has neglected his own business and has put in long hours for Cayman Airways and very few people would put up with and tolerate the ridicule that he has taken for a measly \$250 per month, I believe it is. This shows his total dedication to the airline and to the country.

The Managing Director, Captain Kel Thompson, a young, bright, intelligent Caymanian was, in my opinion and based on reports that I received, the best qualified Caymanian in Cayman Airways to fill the Managing Director's position when it was evident that the position would have to be filled. Had the Portfolio recommended and the shareholders agreed to bring in an outsider, non-Caymanian to be the Managing Director you would have heard another story. In my view, Captain Thompson has proven himself thus far through stormy and troubled times and I therefore, have no doubt how well he will do when the weather clears.

MADAM SPEAKER: Honourable Member, I expect you have a lot more to say. Would this be a convenient time for the House to adjourn?

HON. W. NORMAN BODDEN: I have some more to say, Madam Speaker. I wonder if I could complete the Vice President of North America?

MADAM SPEAKER: Yes, please do.

HON. W. NORMAN BODDEN: Thank you. As for Mr. Tino Gonzalez, I hold no brief for this gentlemen but he has been with the airline for some 10 years now. Those who work with him on a daily basis give him a good report. And as long as the Management of the airline is happy with him, I have no problem. I did not hire him. That is not my role or responsibility because in accordance with the articles of the Association of Cayman Airways, only the Chairman, Managing Director and Directors are appointed by the shareholders on the recommendation of the Portfolio. But I tell you this, I believe that he is earning less today in his new position in Miami than he did when he was brought here by the Unity Team Government in 1981 or 1982 as the Managing Director to run the airline.

MR. W. McKEEVA BUSH: What is he earning?

HON. W. NORMAN BODDEN: You call him and ask him.
Thank you, Madam Speaker.

MADAM SPEAKER: I would ask for a motion for the adjournment of the House.

ADJOURNMENT

HON. THOMAS C. JEFFERSON: Madam Speaker, it is the wish of all Members that the House be adjourned in order to allow Honourable Members to attend the funeral this afternoon. I move the adjournment of this Honourable House until 10:00 a.m. Wednesday morning.

MADAM SPEAKER: The question is that this Honourable House do now adjourn until 10 o'clock Wednesday morning. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM SPEAKER: The Ayes have it. The House is accordingly adjourned until Wednesday morning at 10 o'clock.

THE HOUSE IS ACCORDINGLY ADJOURNED UNTIL WEDNESDAY 9TH OCTOBER, 1991, 10:00 A.M.

**WEDNESDAY,
9TH OCTOBER, 1991
10:05 A.M.**

MADAM SPEAKER:
and Agriculture.

Prayers by the Honourable Member for Communications, Works

PRAYERS

HON. LINFORD A. PIERSON:

Let us Pray.

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

Bless our Sovereign Lady Queen Elizabeth 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. I have granted permission to the Third Elected Member for George Town to express some sentiments.

OBITUARY SENTIMENTS

MR. TRUMAN M. BODDEN:

Thank you, very much, Madam Speaker.

On behalf of my mother and our family, I would like to thank you especially and also to thank Members of this Honourable House and staff for your tribute and the Minute of Silence to my father on Monday, and also for adjourning this Honourable House and attending the funeral. I would also like to thank the many friends of our family for the expressions of sympathy. We very much appreciate this, Madam Speaker. Thank you.

MADAM SPEAKER:

Proceeding with the matter on the Order Paper today, Government Business continuation of the debate on the Report of the Consultants on Cayman Airways Limited. The Honourable Elected Member for Tourism, Aviation and Trade, continuing.

GOVERNMENT BUSINESS

DEBATE ON THE REPORT OF THE CONSULTANTS ON CAYMAN AIRWAYS LIMITED

(Continuation of debate thereon)

HON. W. NORMAN BODDEN:

Thank you very much, Madam Speaker, and although this is not part of my debate, since I am on my feet I would like to say publicly that the people of George Town and indeed the entire country, share in the sorrow of the Bodden family at the departure of Mr. Arthur Bodden. I think this country has suffered and experienced a tremendous loss and I know for the community of George Town we all share in their deep sorrow at this time.

Madam Speaker, when the House adjourned last Monday, I was dealing with the Oppositions call for the Chairman, Managing Director and Vice-President of North America to be replaced. Having commented in that area, I would like to continue on at this stage.

The First Elected Member of West Bay has stated in his contribution to the debate that if I cannot take the decision to answer his call and remove the Chairman and the Managing Director of Cayman Airways, and the Vice-President of North America, that Cayman Airways should be assigned to another Portfolio. Well, I do not believe that the Constitution has been changed yet, and as far as I know the prerogative is still with His Excellency the Governor. I believe he still has the responsibility for assigning Portfolio subjects and this will be up to him and no-one else.

Well I will tell you this, if His Excellency does decide to do what that Member suggests then I will be as happy to get Cayman Airways off my back as the Unity Team Government was to get it off their hands in 1984 because no-one need think that they did not find out in short order that they had created a whip for their back and for any Government that would follow. And I believe that they were more than happy to pass it on in 1984 and certainly are more than happy that they are not having to battle the subject of Cayman Airways today. I believe as Frank McField entitled one of his plays many years ago, 'Time Longer than Rope'.

The Second Elected Member for Bodden Town said that he disagreed with my interpretation of what the Report had to say in regards to crew salaries, so just let me repeat what I said during my presentation which was taken directly from the Consultant's Report and I quote: "Flight crew pay is over generous to the extent of 20 to 25 per cent even though the high salaries are compensated for in part by relatively high utilisation of flight crew. Nevertheless the excessive cost of flight crew does appear to be beyond the capacity of Cayman Airways to bear. It has therefore been recommended that to bring crew salaries back in line with what is normal in the industry that a target 20 per cent reduction in pilot costs over a three period be put in place or at least a pay freeze should be introduced and remain in effect until the present anomaly is eliminated."

This is what I had to say and what I support, so I do not believe that there was any misinterpretation there.

Now dealing with crew and crew salaries reminds me of the letter from the Airline Pilots Association dated September the 18th, which the Second Elected Member for Cayman Brac and Little Cayman read during his contribution to this debate. It is significant to note that the letter was only hand delivered to the Portfolio of Tourism, Aviation and Trade by Captain Kennedy Panton on Friday, October, 4th. Also it is my understanding that he was one of the committee members who met with Cayman Airways Board on September, 20th, two days after that letter was supposed to have been written and it is my understanding that no such matter as contained in the letter was raised with the Board at that time.

I acknowledged receipt and discussed this unprecedented action of the Airline Pilot's Association with Government. The Pilot's Association of course can pass whatever resolution they choose, but Government considers this to be entirely out of order. So let me also take this opportunity to read my reply to the Association so that there will be a balanced report. It is addressed to Captain Kennedy Panton, President of Cayman Islands Pilots Association:

"Dear Sirs,

Re: CAYMAN AIRLINE PILOTS ASSOCIATION RESOLUTION

My letter dated 4th October refers (that was a mere acknowledgment)

I refer to your letter of 18th September, 1991. This was hand delivered to my Portfolio by Captain Kennedy Panton on the Friday 4th October, which was over two weeks after the date when it was written. I would welcome an explanation for the delay.

I also note that you have copied your letter to all Members of the Legislative Assembly, and I deplore this attempt to take internal management issues to a political forum. I seriously question whether it is in the best interest of the company for you to do this.

Contrary to what you state about communications between the Board and Managing Director and yourselves it is my understanding that you had a meeting with the Board of Directors on September 20, 1991 - two days after your letter was written.

I do not, with great respect, think that it is the proper function of a trade association such as yours to attempt to exercise a management role in the airline, or to place yourselves on the Board. I had previously understood that your Association acknowledged that it was the right of the Company properly to manage its own affairs and to use its own judgement in the conduct of its business, and I think that you should stick by that division of labour.

I note that you state that you "are prepared to help save the company." I commend that attitude - it is one that management are entitled to expect from you. I am sure that they would gladly listen to any practical proposals you might have, particularly in relation to cost cutting. However, I am disappointed that you make support of the company conditional upon management changes and consider that your suggestion that "honesty and integrity" is not being displayed by present management, to be a disgraceful allegation and not helpful in this time of difficulty for the airline.

I do not propose to take any further action in respect of your letter. I can assure you that the present Board and Management retain the confidence of Government, and would urge you to get on with performing your own areas of responsibility and cooperating to your utmost with management. It is only if all sides pull together during the present difficulties that Cayman Airways has any chance of coming through."

Having read my reply to the Airline Pilot's Association, here I

might just as well deal with a few of the other points also made by the Second Elected Member for Cayman Brac and Little Cayman during his contribution to the debate which was completed last Monday.

In dealing with crew salaries, he made the point that if crew salaries are high, someone must have approved them, they did not do so themselves. As far as I know crew salaries paid by Cayman Airways are covered by a contract which is negotiated between the airline and the Pilot's Association. So I am certain that the pilots strongly negotiated the salaries that they are being paid, otherwise some of them would not be earning an average of \$10,000. That Member also asked about the 737-400 due to be delivered in 1992. Well, my response to that is that he saw what the Consultants Report said and that is of course what I support.

I also understood him to say earlier in his debate that the inter-island service can break even or make a small profit. I differ with him on this, I did not find that comment in the report and so I am sure that there must be some misunderstanding in this specific area. I agree with the recommendation for bringing in contract personal to assist Cayman Airways Management with the implementation of the recommendations which are accepted.

The Member also outlined, and I have no great disagreement with him or the First Elected Member for Cayman Brac and Little Cayman in this regard, regarding the Cayman Airways services to Cayman Brac. I would say that the timings have improved somewhat but I am sure that they can stand further improvement which will undoubtedly be brought about with the implementation of specific recommendations which were made in the reports. However, it is well known that during September, October and November, and up until December 15th, when the project is due to be completed, it is known that frequencies had to be reduced due to the resurfacing of the runway at Owen Roberts Airport. This did not only affect the inter-island service, there were international carriers which also had to cut back on their schedules during this period to allow more time for the contractors to complete their work.

A point he raised regarding an approach to US airlines to see if they are interested in serving Cayman Brac; this was raised sometime ago and I made enquiries with one of the major and larger US airlines and to this date I have never received a reply. My guess is that the US airlines would attempt to do with Cayman Brac what they have done with Grand Cayman.

I remember years ago when we were served by BWIA and Lacs, and they were thinking of cutting back their services. This Government sent a delegation to Trinidad, headed I believe by Mr. Desmond Watler and Mr. Bergstrom from the Tourism Department, asking those airlines, asking BWIA to try to maintain a certain level of frequency during the tourist season and BWIA's reply was that they had to serve, I suppose place their priorities in order, and serve their own destinations, particularly their own Island country and the delegation then approached Pan American and Pan American told them you are a bit too small for us. When you get 5,000 beds come back and talk to us. So maybe when the tourist accommodation increases and the US carriers see this as a profitable operation, then they will probably consider the Brac at that time.

The Member also commented on the Aer Lingus Report regarding the lack of documentation in Cayman Airways and referred to the 737-400 lease. Now I am supportive of his view that the company should have proposal documentation but in his remarks I somehow gained the impression that he linked this comment from the consultants to their aircraft leasing arrangement. I would just like to read what the consultants had to say on page 16 of their report. "We also found it difficult to lay our hands on specific proposal documentation for past and present key expenditure decisions. We believe that no capital expenditure decision should even be considered by senior Management or the Board without a proper case being documented and submitted in good time to the relevant decision making authority." So I believe it referred probably to other proposals rather than the aircraft lease because am sure that Aer Lingus is well aware that there is an aircraft lease available on the 737-400.

The Second Elected Member for Cayman Brac and Little Cayman also wondered what of the recommendations that have been done so far. Well, the report is still being debated in this House and after we get an acceptance we will certainly get more done. Although I can say that we have negotiated, are in the process of completing a negotiation of an agreement with the contract personal from Aer Lingus who will be brought in fairly soon subject to funds being made available through Finance Committee to assist with the implementation of those recommendations which are accepted.

I would now like to turn to the points raised on the Miami moratorium. Some Members seem to think that the Miami moratorium could continue indefinitely and I know that they know better than that because with all of their high standards of education I am certain that they know that the very word moratorium means for a specific period of time.

The fact of the matter is that on the signing of Bermuda II, by the United Kingdom and the United States of America in 1977, any US carrier can operate services from any US point to the Cayman Islands and beyond. The moratorium was placed only on the Miami/Cayman route back in 1982. It was renewed in 1985 for another two years which was due to expire in 1987. Does anyone in their right mind believe that the US was going to keep on renewing this when they were under pressure from their own airlines to lift it? And the US airlines were certainly monitoring the development of tourism in the Cayman Islands. Eighty-three per cent of the tourists being supplied by the United States.

The moratorium, of course, was extended again for another two years and it was my understanding based on the advice at the time, that there was little likelihood of this moratorium being extended once again simply because the Cayman Islands had nothing to reciprocate the United States with and was in a very weak position. The Government, therefore, had no option in this matter and so it was decided to try to obtain three additional US points in the new arrangement and this was what was negotiated. The Cayman Islands gained three additional unnamed points which they could serve and this was in exchange for agreeing to terminate that moratorium by a few months. So anyone can easily see that the United States airlines

always held and maintained the rights to serve the Cayman Islands should they choose to do so.

Tourism had reached a level that attracted their attention, when they saw it as a good business proposition and so they activated their rights in 1989. Therefore, this threat of US competition to Cayman Airways was always present from 1977 because Bermuda II had to be honoured and this was insisted on by the United States of America. The Americans have always claimed a right to at least one-half of the traffic which their country generates.

As regards the timing of the decision to go the route of changing aircraft and selecting the 737-400, I would say that Cayman Airways probably started making plans for a replacement aircraft late in 1988 and the records show that the decision to lease the 737-400 was taken in March of 1989. The record shows that American Airlines received their designation in June of 1989 and started service in October of 1989. Pan American had received their designation from 1986 but did not commence service until September, 1989, and if my memory serves me right it was only a matter of a few months before that date that they announced that they would be providing a scheduled service. Eastern Airline was also designated in 1986, but suspended service in March, 1989, and recommenced in October of 1989. All after the decision had been taken by Cayman Airways to lease the 737-400.

Admittedly, the timing could not have been worse for Cayman Airways as Cayman Airways eventually became caught up in the cross-fire between four major airlines that were battling with each other to dominate the Cayman market. Neither Cayman Airways or Government could continue to prevent the United States carriers from exercising their rights to serve the Cayman Islands. Just as Cayman Airways serves the United States, which is based on reciprocity, this is only a matter to be expected.

Government of course is still pursuing a more equitable arrangement than the moratorium on capacity which now exists, and they are continuing to have discussions with the United Kingdom in regards to their services agreement between the United States and the Cayman Islands because we maintain that a tremendous and unfair imbalance was created by Bermuda II, as far as the Cayman Islands are concerned, and this must be corrected as early as possible.

The First Elected Member for West Bay claims that the Backbenchers have not been told the truth about Cayman Airways and in my view this is grossly misleading. The situation as known to me and I have no reason to believe that management has not told me the facts, the situation has been explained to all Members of this House. The financial difficulties of Cayman Airways had to be known to them because just as soon as available to me I forward to all Members copies of Cayman Airways monthly financial statements and traffic reports and have been doing so for more than a year. Additionally, the company's accounts have been Tabled in this House, that is the Audited Accounts of the company have been Tabled in this House on a timely basis ever since 1985.

Thirdly, the Managing Director of Cayman Airways in early March this year informed Members of the House about the financial difficulties of the airline. They were told that Cayman Airways was unable to pay Guinness Peat Aviation and so was in default of the lease for the 737-400, and the Managing Director went on to say that the only way he saw out was to lease smaller aircraft such as the 737-200 which was less expensive to lease.

Furthermore at a meeting of the Select Committee on Cayman Airways held on August 29th at which all Members were present, at least I am certain that the First Elected Member for West Bay was present. At that meeting I took the opportunity to brief the Members on the full situation in Cayman Airways as I knew it at that time. I told them of the difficulties that Cayman Airways had with Guinness Peat Aviation. I told them what Government's position was that Government just could not afford the level of subsidy which the company had indicated that it needed and that Cayman Airways was so informed. I told them that a separate company - it is true I did not call the name Air Cayman, but I told them that a separate company had been established by Government, or incorporated by Government. I even recall turning to one of the other Members and saying that we did similar to what you all had to do with the separate company you established in 1987 known as Cayman Air Holdings Limited.

Madam Speaker, there was absolutely no reason for me to withhold any information on Cayman Airways. I told them at the very first opportunity that I had and I was surprised to hear the Member for West Bay say that he was not told and that he was not told the whole truth. Of course, it is true to say that developments have been taking place rather rapidly and the newspapers seem to have the information and makes it public at the same time or even before I myself have the facts. But there is nothing that anyone can do about that because confidentiality in Government is often in doubt, much less poor Cayman Airways.

The Opposition has even attempted to blame Cayman Airways for Motion No. 3/90 and claimed that they were not told enough nor even the truth about the 400 in 1989. But you know what my honest assessment is of all their objections and complaints about lack of information? It is that some Backbenchers have never yet, nor will they ever accept that there is a difference in the decision-making process between the Executive branch of Government and the Legislative. This is the crux of their problem. It is not just that they want the right to know, which they have never actually been denied, but they also want the right to decide themselves and they know that under our system, this they cannot have until they are elected to Executive Council.

Furthermore, some of these Members claim to support Cayman Airways but my assessment of this one is that some of them will stop at nothing to destroy and discredit this Government and if Cayman Airways goes under in the process, they really could not care less. That is my considered opinion.

During this debate much of the airline's history has been rehashed; comparisons made and blame apportioned. But without going further just let me quote from the Swiss

Air Report on Cayman Airways which Government commissioned back in 1985. I quote: "Due to past losses, the balance sheet of Cayman Airways is a disaster. The accumulated loss..."

MR. W. McKEEVA BUSH: On a Point of Order, Madam Speaker. I am wondering if the Member would allow me to clarify a matter. You never mind about a Point of Order....

MADAM SPEAKER: Excuse me, please. Would one Member sit down? If this is a Point of Order let me hear it. Honourable Member would you take your seat?

MR. W. McKEEVA BUSH: Yes, Madam Speaker.

HON. W. NORMAN BODDEN: If it is a Point of Order, Madam Speaker.

MADAM SPEAKER: Yes.

MR. W. McKEEVA BUSH: The Standing Order is No. 34, Madam Speaker.

MADAM SPEAKER: May I hear your Point of Order, please?

MR. W. McKEEVA BUSH: Madam Speaker, I do not know whether I am correct because I was in the Committee Room but I believe I heard the Member say that he had told us that they were forming Air Cayman. If that is what he said, that is not true. I do not know who he told on this side but he certainly did not tell me. And if he is talking about the Finance Committee, I want him to show in the records of the Finance Committee where he said that they were forming Air Cayman.

HON. W. NORMAN BODDEN: Madam Speaker, what I said was that at a Select Committee meeting of Cayman Airways on August 29th, I took the opportunity to brief all Members on the situation in Cayman Airways, as I knew it at that time. Amongst other things which I explained to Members was that Government had incorporated another company. I said in my remarks that I did not at that meeting on August 29th call the name Air Cayman but that I had turned to another Member that was present and said to him that Government had taken a similar position now as they had had to take in 1977 when they set up Cayman Air Holdings Limited.

MADAM SPEAKER: That was a Point of Elucidation. The Member has duly answered that. He may be allowed to continue his debate.

HON. W. NORMAN BODDEN: Madam Speaker, I was reading a portion of the Swiss Air Report in 1985 which said: "That due to past losses, the balance sheet of Cayman Airways is a disaster. The accumulated loss at June 30th, 1984, was twice as large as the share capital of the airline which in itself could constitute a ground for declaring bankruptcy."

This prompted Government to then convert to equity the loans and other trade debts in the amount of \$6,050,920 and provide an immediate cash injection of \$1.5 million to pay for the 727 lease which was in arrears plus operating fuel and maintenance bills. So you see, admittedly, today times are indeed tough but not new to the airline. The difficulty is and the difference is that the political climate in 1985 was different from today and the will to support the airline, Cayman Airways, stronger and more sincere at that time.

The Report makes it abundantly clear in several areas that what has contributed to the airline's financial problems is the fact that the airline has been expected to provide both international and local services that are essential and necessary for tourism development and which benefits the whole country but some of which are unprofitable for the airline itself. It has therefore, been established that the airline has not only been undercapitalised but is also undersubsidised as well. In my opinion, until these deficiencies are recognised, accepted and corrected, the airline's financial problems are bound to continue.

Now some Members claimed in their contribution to this debate that New York should be dropped and complained about the diversity of routes. Just let me remind the House what the consultants had to say about this. I quote:

"The advent of non-stop New York service brought an explosion in arrivals from New York. Furthermore the percentage of visitors making their first trip to the Cayman Islands is much greater at the New York Cayman Airways destination than at the older Cayman Airways destinations of Miami and Houston.

While the peaks are slightly greater and the September valley slightly lower, it is probably fair to say that Cayman Airways' diversity of destinations helps spread traffic and create potential for realising the benefits of a more balanced seasonal pattern than would otherwise be the case.

Furthermore, routes served exclusively by Cayman Airways carry a large portion of United States citizens relative to other routes. This is in part suggestive of Cayman Airways contribution to tourism.

In addition, Cayman Airways facilitates the arrivals of visitors from the north and the west. These visitors are more valuable in that they tend to stay longer than visitors from the south."

One other point that I should like to make in this regard is that developments which have taken place over the past two years have brought about certain changes in traffic patterns where Cayman Airway's inter-line partners have now become its competitors and therefore, Cayman Airways can depend less on traffic feed at Miami but will have to look to other destinations such as New York where it is not so dependent on inter-line business.

Support for a diversity of destinations was also given by the consultants for the time savings and attractiveness which Cayman Airway's non-stop services provide. So the airline route expansion was not done in any ad hoc or thoughtless fashion. It was planned development which is proving highly beneficial to the country's tourism development and this cannot be disputed for this is what Cayman Airways is all about.

Madam Speaker, I now turn to the inter-island service. I understand very well the position of the two Elected Members for Cayman Brac and Little Cayman and I share with them their concern and insistence that Cayman Brac and Little Cayman receive the very best service possible. I have no difference of opinion with them. I am sure and confident that once certain recommendations which have been made are implemented, that improvements will be realised.

I have no difference with them regarding the poor scheduling which has been commented upon in the consultant's Report. It is hard for me, many times, to rationalise why the schedules have to be changed so often. So I do not differ with them in any degree regarding their position on the inter-island service and I can assure them that they certainly have my support for any improvements that can be effected in this area. However, the cost analysis which has been put forward by SH&E set out very clearly what the position is. They have made a comparison on the April schedule where they point out that based on that schedule the operation over a one year period would lose \$1.8 million.

They have gone to great length to make recommendations regarding the introduction of service to be provided by a commuter type aircraft - a 19-seat Twin Otter, and they point out that this will provide better services because it is able to offer higher frequencies. They have set out a scale, I would call it, regarding the proposed schedule showing the financial results if the Twin Otter recommendation is accepted and put into operation. If that is operated, supplemented by two jet flights, the loss would be \$759,000 per annum. If the Twin Otter service is operated with three jet flights, the loss would be \$1,024,000 and if it is operated with four jet flights, the loss would be \$1,291,000 per annum.

Madam Speaker, I believe that the type of market that we are serving in Cayman Brac today requires a certain amount of jet service. I have noted the concern expressed by both Members for Cayman Brac and Little Cayman and I have no problem in giving them my support to ensure that adequate jet service is maintained if the decision is taken to also supplement that service by a 19-seat Twin Otter.

I also agree with the First Elected Member for Cayman Brac and Little Cayman when he pointed out in his debate that Cayman Airway's rights to serve Cayman Brac and Little Cayman does give Cayman Airways a competitive edge over other carriers and I certainly support the view, as the Member responsible for Tourism, Aviation and Trade and as the Chairman of the Air Transport Licensing Authority, that if there is an increase, and I accept that some form of increase is necessary but that that increase in fares to Cayman Brac and Little Cayman has to be maintained at a reasonable level.

Madam Speaker, although the airline's history and its financial woes have been gone into again and again, one only needs to examine its performance during the last financial year, that is, July 1990 through June 1991. Although the airline was able to defend its market share against competition from the three major US airlines, that is American Airlines, Northwest, and Pan American, by this time Eastern has gone out of business, during 1989-1990 when the United States economy was stronger, Cayman Airways managed to attract at least a 55 per cent load factor and thus the operating results for that financial year were not as bad.

This past year 1990-1991 its market share has been further eroded and its load factor ended up in the low 40s. This shows the marketing power and strength of the United States airlines and their intention to dominate the market. Additionally, this year 1991, when Cayman Airways would have expected to experience a higher level of business in January and April when it could build up some income to take it through the usual lean months of September, October and November it was not able to do so as in other years, because of the poor market conditions brought about by the factors mentioned earlier of war and recession and which have been supported by the consultant's Report. This can be seen by those who wish to see or admit it.

After June this year the problem continued for Cayman Airways to the extent that the airline made representations to the Portfolio that they would require approximately \$1 million subsidy a month in order to continue, unless it could find the means to reduce their operating expenses. Needless to say, if the airline cannot achieve this successfully, it could well be headed for liquidation because the airline does not hold any open-ended cheque from Government. Government's position and advice to the airline was that it could not afford that level of subsidy. The airline would have to decide how best it could reduce its operating expenses so that a reasonable level of subsidy would be required and by reasonable I refer to the amount to the figure quoted in the Report of \$2 million, to \$2.5 million, to \$3 million mentioned by the consultants. This is the level that I agree with.

Madam Speaker, so many different matters have crept into this debate. Some of them I wonder how closely related they would be to the consultant's Reports but nevertheless they have been brought up and while many times in the past I have resisted the temptation to address one particular item which has been used a couple times in a very devious way, I would say, but it was brought up during the debate and I would like to comment on it. It has to do with the comment made by some of the Members regarding the late Mr. Jim Bodden.

Madam Speaker, I do not intend to be dragged into any

discussion about who this gentlemen was or what he did. I have respect for the dead and for his family but I will say that this country is still small enough to know who is who. But I will tell you this, the listening public have noted those who curse you today and praise you tomorrow and their instability. I have had occasion to do neither and I will leave it at that. However, let me add, I am sure that the late Jim Bodden would have welcomed their kind words and support at the times in this House when out of frustration of defending Cayman Airways in this House and perhaps out of desperation too, he said that he would drain the Treasury dry to support Cayman Airways. That is when he needed his friends, not now.

The Attorney General's resignation was also brought into the debate and I think that letter has been made public and I would like to thank him publicly, in addition to my written response to the Honourable Attorney General some time ago, of my deep appreciation for his valuable service but I understood very well his reasons which have already been explained, and the Honourable Attorney General is available to the Portfolio of Tourism, Aviation and Trade just the same as he is to any other Portfolio to assist and advise us in legal matters as necessary.

Cayman Airways, to the best of my knowledge, has always had their own lawyer. At least when I went to the Portfolio in 1984 there was an appointment in place and to the best of my knowledge, that remains the case until this date because no changes have been made that I know of. Madam Speaker, during the debate too, much ridicule and attempts were made to make fun of the aircraft used by Cayman Airways since 1985, I think to make the point of either ignorance or incompetence. You know they poke fun at the Shorts, they talked about the 400 and they can say anything today but they had their say in 1989 about the safety of that aircraft. They talked about the 300 and the 200 and how old they were and the age were. You know they should remember what happened during their administration. I am sure they have not forgotten about the Arrow 748, that the people were told was a 10 year old aircraft and when they found out it was something like 13 or 14 years old, the heat was so severs in the cabin, the vibration so severe on take off that the Cayman Brac people complained and they dubbed that aircraft "Shake and Bake." They have not forgotten that have they?

Also the Trilander. Have they forgotten the petitions and the complaints because it provided no toilet facilities and no one could stand upright in the cabin of the aircraft. Those were some of things that prompted Cayman Airways at the time to try to find within its financial limitations an aircraft to serve on the inter-island service. Also I am sure that they have not forgotten about the DC-915 from Air Florida and the age of those aircraft at that time. Nor have they forgotten about the BAC-111 which they ridiculed and talked about when LACSA operated it. But they had to turn around and go back to LACSA and get one of those same BAC-111s and put it into operation until they could get the two second-hand 727s that they got after Air Florida was placed in bankruptcy.

So you know I think that those kinds of things are small and I think it is ridiculous to try to interject into any debate at this level that sort of disrespectful comment on what people have done because there are always two sides to the story. Madam Speaker, I could not, and certainly would not attempt to deny or down play the seriousness of the situation in Cayman Airways for it is not my style. But I trust that a solution will be found so that the airline can continue to operate and serve these Islands as it has done, in fact, since 1954 and that it will continue as it is entitled to do.

I can only hope that these Reports will give the country a greater understanding and a deeper appreciation for Cayman Airways. It is a fact that the airline is passing through a serious situation and its survival is dependent on several factors. I understand that in the Japanese language the word for crisis is the same as for opportunity and I believe that by these dark days Cayman Airways is passing through, which is not of its own making but rather due to a combination of factors, that Cayman Airways will emerge an even better, stronger and more organised airline. Then I will believe that this study and the long debate it has generated will be worth the time and effort spent by all of us.

I once again recommend the Reports on Cayman Airways and as set out in the Select Committee's Report to this House, Members will be kept advised on which recommendations will or will not be implemented. As I said earlier, in keeping with the decision taken, negotiations are just about complete for two persons from Aer Lingus to be brought in on a contract basis to assist Management with the implementation of those accepted recommendations. I have the total cost which will be placed before Finance Committee at its next meeting and once a starting point has been settled we will move forward as expeditiously as possible, as I too, am fully committed to effective improvements in the immediate and near future in the interest of the airline, Cayman Airways, we all claim to support.

In conclusion, regardless of what the future holds for our small, struggling airline, I can truthfully say that I have always had the interest of the airline at heart from the days back in 1955 when it started out as Cayman Brac Airways. Regardless of whichever role I have been asked to play in its operation, I can truthfully say that I have done my best.

Thank you, Madam Speaker.

MADAM SPEAKER:

The question before the House following the debate, is as moved by the Honourable Member who recommends the Reports of the consultants. I shall put that question.

QUESTION PUT: AGREED.

THAT THE REPORTS OF THE CONSULTANTS ON THE STUDY OF CAYMAN AIRWAYS LIMITED BE ADOPTED.

MADAM SPEAKER:

The House will be suspended for 15 minutes.

AT 11:06 A.M. THE HOUSE WAS SUSPENDED

AT 11:31 A.M. THE HOUSE RESUMED

MADAM SPEAKER: Please be seated. Proceedings are resumed. Personal explanation by the Honourable Member for Tourism, Aviation and Trade.

PERSONAL EXPLANATION (STANDING ORDER 31)

HON. W. NORMAN BODDEN: Thank you, Madam Speaker. Under Standing Order 31, I beg leave of the Chair to make a personal explanation.

MADAM SPEAKER: Leave is granted.

HON. W. NORMAN BODDEN: Madam Speaker, I have just completed my winding up of the debate on the Consultant's Reports on Cayman Airways and during my debate I said the following:

"Furthermore at a meeting of the Select Committee on Cayman Airways held on August 29th, at which all Members were present, at least I am certain that the First Elected Member for West Bay was present, at that meeting I took the opportunity to brief the Members on the full situation in Cayman Airways."

Madam Speaker, the First Elected Member for West Bay has made representations to me about those remarks, that comment and I hereby wish to apologise to him and to the House for saying that he was present at that meeting. I am not only a truthful person, I am also a very humble man and I was convinced in my own mind that he was at the meeting, however, it just goes to show that regardless of how right someone might think he is, it is always safe to double check. In this particular instance I did not do so because I was so convinced in my own mind that he especially was present.

The record of the Minutes of that meeting record that those present were the Honourable Thomas C. Jefferson, OBE, JP., as Chairman, myself, the Honourable Benson O. Ebanks, OBE, Honourable D. Ezzard Miller, Mr. John Jefferson, Jr., Mr. Truman M. Bodden, Captain Mabry S. Kirkconnell, JP, Mr. Gilbert A. McLean and Mr. G. Haig Bodden. Those absent and who had tendered apologies were the Honourable Linford A. Pierson, JP, Mr. W. McKeeva Bush, Mr. Roy Bodden, Mr. John B. McLean JP.

Therefore, Madam Speaker, I was incorrect in stating that the Member for West Bay was present, and I trust that both he and the House will accept my sincere apology.

MADAM SPEAKER: Thank you. Continuing business for today, Private Member's Motion No. 16/91 - Reduction of Port Fees, the First Elected Member for West Bay.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 16/91

REDUCTION OF PORT AUTHORITY FEES

MR. W. McKEEVA BUSH: Madam Speaker, I beg to move Private Member's Motion No. 16/91 standing in my name which reads:

WHEREAS it is hoped that the Cayman Islands economy will soon recover from its current economic slow-down;

AND WHEREAS the Port Authority recently announced an increase in fees;

AND WHEREAS the cost of living is high;

BE IT THEREFORE RESOLVED THAT the Government reduce the recently increased Port fees to their previous levels, considering that:

(1)the Port Authority recently announced a net profit of CI\$973,041 in 1990;

(2)the inflation rate which measures the growth in the cost of living has risen from 7.7 per cent in 1990 to 9.6 per cent at the end of June 1991; and

(3)the increase of fees will further damage the average Caymanian, small businesses and fixed income earners who are already experiencing economic hardships."

MR. JOHN D. JEFFERSON, JR.: Madam Speaker, I beg to second the motion.

MADAM SPEAKER:

Private Member's Motion No. 16/91 has duly been moved and seconded and the question before the House is resolved that the Government reduce the recently increased Port fees to their previous levels. The matter is opened for debate.

MR. W. McKEEVA BUSH:

Madam Speaker, the Port Authority has increased 25 of their present charges by an average rate of 30 per cent. These increases range from 2.7 per cent to 100 per cent and will bring about direct upward pressure on the rate of inflation which will raise prices in supermarkets, grocery stores and other retail outlets in these Islands, which in turn, is bound to reduce the real standard of living of every Caymanian and most troublesome of all further hurt the poorest Caymanians.

The increased Port Authority charges will be transferred to the public through a multiplier type process. After the Port Authority has added the new charges to the goods that are imported through them, importers will find themselves paying higher import duty than before as well as higher handling fees.

The higher overall level of import duty will come from goods on which duty is levied as a percentage of value.

Retailers and wholesalers will be paying proportionately more for the goods purchased from the importers and in order to maintain their mark-up the increased costs will ultimately be passed on to the consumer.

In this way if the prices of all goods imported through the Port Authority rise by three per cent, store prices could rise by seven per cent.

The rate of inflation in the Cayman Islands stood at 7.7 per cent at the end of the year 1990 and was running at an annual average rate of 9.6 per cent in June of this year. A double digit inflation rate has not been experienced in these Islands since 1981, at which time the United States faced a similar high rate of inflation, however, imported inflation from the United States alone cannot be used to explain the present growth in the domestic inflation rate which has almost reached the 10 per cent level.

The present growth in inflation have been fuelled mainly by local factors, especially the import duty increased by the Cayman Islands Government in 1990; higher energy prices as a result of the Gulf War and the across the board 30 per cent increase by the Port Authority in 1990. The affect of a high and rising level of inflation in the Cayman Islands will undoubtedly impact negatively on consumer spending. The labour market, the housing market, the tourism sector, business growth and overall economic growth and stability.

Immediate economic consequence of a arise in the rate of inflation will be a fall, certainly in the purchasing power of the CI dollar. Consumers, will soon feel the effect of the price rises as their weekly budget will no longer be sufficient to purchase all the goods that they used to purchase and that they demand.

People I am concerned with are the lower income groups and the fixed income earners, those people on pensions and so on, particularly the elderly will feel the price rises most severely as the purchasing power of their income is slowly eroded by the rising level of inflation. The employed consumers faced with rising prices will demand higher wages from their employers. This may be a potentially volatile factor that could fuel inflation to even higher levels. Other sectors of the economy will feel the pinch of the higher rate of inflation.

The construction industry, which imports almost all building materials and equipment, will be affected by the increase in Port Authority charges. Rising prices of imported construction goods will be translated into rising costs of construction. This could impose a greater financial burden on Caymanians hoping to build or rent homes.

Employers in the tourism sector could also find themselves facing rising cost problems as a result of further Port Authority fee increases. All imported goods required to service tourist needs will cost the buyer, hotel owner and the restaurants more. These costs will undoubtedly be passed on to the tourist. We know that Cayman is already a high cost tourist destination and further price rises could have a significantly negative impact on future tourist arrivals.

Continued growth in the economy will be hindered by the new Port Authority charges since the charges will lead to higher levels of inflation, then ensuing economic instability and increasing uncertainty would create problems for future economic growth. The level of confidence of business investors, among other things, depends on the rate of inflation. Uncontrollable high rates of inflation would be particularly detrimental to small business with only a single line of economic activity. Larger businesses might be able to absorb the rising price by spreading the increased costs across all the products sold, however, the small business man when faced with rising costs has only one option and that is to raise the price of his produce. If consumers do not or cannot pay the higher price, then the small business man could well find himself out of business.

As I said, increased Port Authority charges on top of what was increased last year, the 30 per cent, are sure to lead to a higher rate of inflation. This will through both direct and indirect means help slow the rate of growth in the tourism and construction sectors and thus potentially slow the overall rate of growth in the economy. The effects of inflation penetrate all businesses in the economy, mainly through the direct effect on input costs. Inputs can be anything a firm needs to produce its product, for example, restaurants require food, cooking utensils, crockery, to produce dinners and so on.

Business Managers do not generally absorb inflationary costs arising from increased input costs by reducing profits. They pass the burden of their higher prices onto consumers who buy their goods or services or use the facilities. In other words as hotel and restaurant owners face rising costs, it is the tourists and other consumers who pay the rising prices.

The effect on tourism of rising input costs may be substantial. Repeat visitors returning to these Islands after five years must notice a lot has changed. The most immediately

apparent change is in the cost of living. Hotel room prices have risen, the price of a restaurant dinner, souvenirs, groceries, water sports, have become more expensive. As businesses find that they have to replace equipment and stock they will find that the replacements have become a little more expensive to import and retail businessmen will feel that further price increases which are eventually paid by the consumer are necessary to cover increasing costs.

The available facts to us at this time tell us that Cayman is already a high cost tourist destination compared with other areas which offer similar amenities, namely clean beaches, watersports, quality accommodation, tranquility and that sort of thing. According to the *Caymanian Compass* dated September 16th, this year, air arrivals from January to August, 1991, were down 4.4 per cent or 177,850 compared with the same period in 1990. Although reasons were not given in the article why there was a fall, it was mentioned that air arrivals from the United States accounted for 81.3 per cent of all air arrivals.

The war in the Gulf followed by the resulting recession will obviously have affected U.S. decisions to take vacations in the Cayman Islands but there must be other considerations which could have influenced their decision.

Cayman now has a seasonally unadjusted annual average inflation rate of 9.6 per cent. This means that every dollar that a visitor has to spend will buy less than it would have bought last year. If United States tourists become aware that their already diminished vacation budget as a result of the United States recession will be even more reduced by the high and possibly rising inflation rate in Cayman, they will likely choose a lower cost destination where their dollar will go further.

At present visitors from all other countries hit by recession will probably have less money to spend than they did last year if they are going to have to pay more for their hotel room, more in the restaurants and supermarkets. That will mean a greater percentage of their budget is spent on food and accommodation. Following this line of thought, it would therefore mean a percentage reduction in visitor expenditure on transport, entertainment, watersports and other industries indirectly related to tourism which would mean a fall in those industries income. Those industries which benefit indirectly from tourism which would mean a fall in those industries income. Those industries which benefit indirectly from tourism would feel the effect of reduced visitor expenditure and are probably already feeling it at the moment. Not to mention the effect it has on the workers, in the condos, in the hotels and other areas relating to tourism who at this time, some of them are only experiencing a \$37 per week take home pay because this is a traditionally slow period but it is I believe when the final figures are out, we are going to see a very slow period and as I say, some of them are already taking home very, very small weekly salaries. Some of them do not even get two days per week work.

The same is true in the construction industry. Rising prices of goods needed for construction purposes will be added to builders costs. This cost will be passed on to the buyer of the house, hotel, apartment, offices and so on which will likely lead to a reduction in the demand for new properties.

The article in the *Caymanian Compass* I mentioned, gave details of the number of Planning Permits issued in the second quarter of 1991. It appears that 165 new building projects were approved in the second quarter of this year at a total value of \$22.3 million compared with the 1990 figure of 163 approved projects at a total value of \$38.5 million. This presents a picture of slowing growth and as was already said, 1990 was a bad year as evidenced by the large deficit Government experienced in the budget.

Approved Planning Permits for the first quarter of 1991, also showed a decline over first quarter 1990 figures. The total number of permits granted in the first quarter was 134, in 1990 the comparable figure was 164. This shows a decline of 18.3 per cent. In terms of actual dollar value of approved permits, the 1990 figure for the first quarter was again less than the 1990 figure. In fact, 66.5 per cent less. The value of approved permits for the first quarter of 1991 was \$18.9 million compared to \$56.5 million in 1990.

I do not know what I am going to be told, but these are not healthy growth statistics. They suggest that there is a declining demand for new construction. This slow down can be partly attributed to the high and rising rate of inflation. In general people do not have unlimited amounts of money, they do not have unlimited budgets. Therefore, the greater financial outlay needed to purchase property at present due to the high and possibly rising rate of inflation has probably dissuaded some individuals from investing in new business, homes, hotels and so on until construction costs fall. In other words until the rate of inflation falls, if that can happen in the country. But certainly if every time we turn around we are increasing fees the inflation rate is not going to fall. It is not going to fall.

To the 299 individuals or firms who have gained planning permission in 1991 it will mean either abandoning the proposed project or cutting back on other areas of expenditure in order to pay the increased costs of construction. At present, as I said, there is an obvious slow down in the demand for new buildings, for residential and commercial use. If the demand continues to fall there may be a number of serious economic consequences. Fewer construction goods will be imported, this will affect Government revenues, fewer builders, building contractors, surveyors, engineers and related trades people will be required.

The economic contribution of the construction sector, Madam Speaker, to the gross domestic product will fall. A domino effect creating a slow down in other sectors of the economy will occur. Potential investors having decided to post-pone investment and wait for a slower rate of inflation and more stable economic conditions will take some of the growth potential out of the economy by not investing as economic growth is fuelled by capital investment.

On the other hand if demand for Planning Permits and indirectly new buildings is restored and inflation continues to rise as a result of the Port Authority fee increases buyers will face two options in order to generate new sources of revenue to finance the construction of the new building. Either they could take money out of their savings or they could plan to reduce future expenditure and take out a loan to cover additional costs. But whichever option is taken these individuals and firms will have to reduce future expenditure on goods and services from other sectors of the economy.

The overall effect would be a slow down in the demand for other goods and services. If business and investor confidence was lost as a result of a high rising level of inflation the Gross Domestic Product which measures growth would most likely not maintain a moderate growth rate but would begin to slow. A slower rate of growth of Gross Domestic Product would mean leaner times ahead for Cayman businesses.

Our people have two choices. They can either restrict their expenditure and tighten their belts to cope with the rising inflation or, they can demand annual pay raises at least equal to the annual rate of inflation. If employees decide to take the latter option, this could pose the greatest potential threat to future economic growth.

The current high rate of inflation is due to many reasons one of which is the high level of pay in some sectors of the economy. Increasing pay to keep in line with inflationary rises would add to employers already rising costs and would push the price of goods and services much higher, pushing up the rate of inflation even further. A rapidly rising rate of inflation, fuelled by rising costs would be a serious, serious problem. Unfortunately for the people of these Islands, the development of the Port Authority will mean an increase in the rate of inflation, as increased costs will be passed on to consumers who will most likely demand higher wages.

Rather than pushing up the level of inflation by raising Port Authority charges what the Port Authority might do is absorb some of the increased cost incurred and accept a little lower level of profit. This would only be until such time as the economy is in a stronger position.

As I said, and as the motion says, we would hope that the Islands will soon recover from the growth slowdown which began in 1989 when real growth dropped to 8 per cent. All attempts should be made to increase and strengthen the rate of economic growth. The increases in the Port Authority charges when passed on to consumers, are likely to reduce the prospect of improvement in the rate of economic growth. Those increased fees are counter-productive to the overall good of the Cayman economy. Before any planned price increases are implemented a thorough economic analysis should be undertaken in the country to assess both the likely short and long term overall inflationary effects of the higher Port charges on the economy.

Madam Speaker, I know that they are going say that the charges are small but the overall effect, as I have said, when it reaches the man on the street is not going to be small. It is going to be some 7 per cent on the shelf, if not higher. The role of the Port Authority should also be considered and the question should be asked whether it should compete with the private sector to ensure acceptable profit levels.

It is obvious now and has been for the past three years that this Government is not capable of providing investment in this country which would widen its revenue base. Rather the Executive Council, each time, only goes the traditional route where they add a higher fee each time and turns the screw tighter on our people. All that will be accomplished by these Port Authority measures is a further dampening of the economy at a time when a number of indicators, such as those two which I have already dealt with, are beginning to sag.

People are hurting in these Islands today. Businesses are hurting. One only has to go to the supermarkets and listen to what our people are saying; hear how they are trying to make a meagre salary fit the expenditures; look on the average family where the average Caymanian in the construction industry is making maybe \$250 per week and his wife is bringing in \$100-odd a week from the tourism sector and they have two or three children.

Members of this House might be able to cope much more sufficiently, but I am saying to Honourable Members that the real people that we need to be concerned about are those at the lower end of the salary scale which inflation is biting away at; inflation caused by the increases made by the Members of Executive Council last year when they taxed everything in the country. So it might be good for the Member to get up now after me and rattle off some of his expansion. That does nothing, at a time when the economy is down, to help the people at the lower end. It must be realised that every item, every commodity has increased in these Islands since 1990 when Government put a tax on everything.

These increases may look small but the net effect, as I said, will be at least 7 per cent added to the goods in the stores and other areas. This, whether it is 7 per cent, or 5 per cent, or whatever, will be on top of what was put on last year. These kinds of increases do nothing to put the economy back on the track of stable growth. It shows no realisation of the damaging effects of growing inflation but is only done to help raise money for the Government's extravagant expansion programmes, which they come up with, whether it is consultant, or whether it is locally thought up.

Over the past years Government has failed to plan. That is one of our big problems today and we usually go back and blame another Government, as we heard this morning. But we cannot get away from the fact that some Members of Executive Council have been in Council since 1984 and we had a very low rate of inflation back in the 1980s but the increases that they put on have spiralled inflation. So the Government over the past years, having failed to plan and having failed to bring in good business to keep in line with their expenditures, when it comes to these boards or authorities set up by Government (and my God we have quite a few now, we have a Health one which is going to destroy us), I see a definite need for provision to be made in the laws of the authorities and in this case, to be made in the Port Authority Law, for instance for a physical development plan which says what facilities will be needed five years in the future.

These physical development plans would be dependent upon a financial plan or policy where a proportion of the cost of that plan is maintained in a capital development or expansion fund. I am saying this in light of what is seen as hodgepodge development of our facilities. If there were such policies there would be hardly any need for Government to hit our people so hard every year because money

would have been set aside. If they have these plans (I see some heads bucking together over there), if they have these plans then I trust that they should use them. But it is obvious that they are not doing so because every time they need money, they come back and hit the Island's economy with price increases.

One thing that is very evident today is that the people of this country, our people, cannot take anymore taxation at this time. That is evident, whether it is three per cent or whether it is 100 per cent. The people in this country are strangling. If the Members over there do not know that, they should walk the roads and find out. Therefore, I am asking this Honourable House, while the rate of increase is only small an average of three to 100 per cent, I am asking the House to reduce the present fees to their previous levels in order that the inflation rate and the cost of living will not further escalate and cause our people more hurt and further stagnate our economy.

Madam Speaker, I hope that they have all of their facts together. I do not know whether they realised that I was going to go as long as I did but I trust that the House will pay heed to the motion.

MADAM SPEAKER:

The Honourable Member Communications and Works.

HON. LINFORD A. PIERSON:

Thank you, Madam Speaker. Madam Speaker, my comments on this motion, Motion No. 16/91, that calls for a reduction of the Port Authority fees will be relatively brief but hopefully sufficient to satisfy the mover and seconder of the motion of the relevant facts pertaining to the tariff increases which have been brought into effect by the Port Authority.

The preamble to Private Member's Motion No. 16/91 recites in basic terms the economic situation in these Islands at this point in time and I therefore would not deny that some of these situations indeed exist. But I would deny that the increase in the Port Authority fees will have any significant detrimental effect on the average Caymanian, small businesses and fixed income earners, who, as the motion states, are already experiencing economic hardship. I will try to clear up this statement in a few minutes.

Madam Speaker, had the mover of this motion followed my advice when he suggested to me his intentions to bring this motion forward, he may have found his present efforts totally unnecessary. My advice to him when he spoke with me was to meet with the Director of Ports, Mr. Errol Bush, and have him explain in detail the reasons why it was seen to be necessary or why it was necessary for the Port Authority to increase its fees. Also that the increases were just and reasonable and if properly passed on by the shipping agents, the supermarkets and others concerned would have a negligible effect on the ultimate consumer.

In this connection before continuing, I believe that it is appropriate for me to refer to an article written by a Mr. Rick Catlin of the *Caymanian Compass* of today's date which bears out that very point. I will just refer to the reaction from the supermarkets about the increase. They stated that their main point of concern was really the releasing of the "reefers" which as we know, are the containers which carry the goods that have to be kept in cold storage and whether or not they would be permitted to in fact, have these "reefers" delivered to them on the dock. But this is what was said by the various individuals concerned: Mr. David Foster said that his main point of contention had to do with the reefers and we went on to say, "We are very happy with the outcome." And said Mr. Foster, there's a good chance that the newly implemented port handling fees (three to five per cent increase) may not be passed on in higher consumer prices at the supermarket." That was Foster's Food Fair.

Also: "Mr. Hurley Merren of Hurley's Supermarket agreed, saying 'I don't think the fees, in general, will hurt us a lot.' Captain Charles Kirkconnell said he was also going to study the impact of the new fees before making any decision on new prices." Madam Speaker, these are the major areas that we have to be concerned about because it is in the supermarkets that the ultimate effect of the increases will be felt.

While referring to the *Caymanian Compass* of Wednesday 9th, October, today, I would like to refer to a remark made by the Chamber of Commerce. I must say that the editorial, while I do not agree with it totally, did in fact make an honest attempt to address the problem or question of trucking. But the article from the Chamber of Commerce basically dealt with the inflationary effect on the economy and after hearing the discourse we had on inflation today, I will not have a lot to say on that subject. I will leave that for the experts.

But the Chamber of Commerce seemed to be talking with forked tongues. At one stage they are saying to us that we should not increase the tariff because it will have a detrimental effect on the economy and on the other side they are saying that they are hoping and I will read this: "Secondly, once the new Distribution Centre is functioning, there is envisaged a need to amalgamate the office of the Customs, Port Authority and the local shippers all into one building. The purpose of this would be to provide the importer with one location necessary to clear and collect goods." My only question to the Chamber of Commerce is where do they envisage the money would come from to do that? Madam Speaker, as the phase goes there is no such thing as a free lunch.

Earlier during this meeting of the House which commenced on the second day of September, I laid on the Table of this Honourable House the Report of the Port Authority for the year 1990. In that Report was highlighted among many other matters, the cost which have been incurred by the Port Authority in recent years in order to provide the quality and services which our people deserve and require.

Just to mention a few of these I would refer to the \$1.4 million spent on providing the needed Port Administration Building and the canteen facility for the Port workers at a cost of \$163,508. Additionally, later in this year it is hoped to officially open the new Cargo Distribution Centre in the Industrial Park area estimated to cost almost \$4 million. Again, a most needed facility as the present facilities have been increasingly cramped and make difficult of unpacking, examining and stacking the 1,000 or more containers

which bring cargo to the Port each month.

Plans are also afoot to improve the tourist landing area in the immediate vicinity of the Webster's Dock, generally, to provide better facilities for our much needed tourists. Basically, it is proposed to bulkhead part of the shoreline to accommodate tenders in order to reduce the congestion at the main dock area. In addition, these plans call for the erection of a covered rotunda for the cruise ship passengers and all these needed facilities, and I stress needed, all of these needed facilities cost money. I wish it were possible for the Port Authority to wave a magic wand but we all live in a real world.

As I stated earlier, there are no free lunches. The truth is that it is impossible to please everybody. There are those who will criticise regardless of how much good is done for the people of these Islands for whatever reason. Madam Speaker, there is a big demand, not only from cruise ship operators but indeed from local residents to provide improved facilities yet it seems to escape these same individuals that this all cost money.

It is correct that the Port Authority generated net profits of \$973,041 during 1990. However, a can be seen from the statement and I would refer the mover and seconder of this motion to the statement of cash flows for the Port Authority for 1990 that much of this money was reinvested in the company for the benefit of the people of these Islands.

For the year 1990 cash provided by operating activities totalled \$1,615,021 plus \$1,404,602 from financing activities of which \$1,362,035 represented an increase in bank overdraft which was necessary to assist in financing the Port projects. Of the total cash generated from operating and financing activities in the total amount of \$3,019,623, a total amount of \$2,525,632 was applied in investing activities such as the cost of fixed assets etcetera, leaving a cash balance at the end of 1990 of \$493,991 which when added to the brought forward figure from the previous year of \$256,333 left a balance at the end of the year of \$750,324.

One only has to examine the financial statements of the Port Authority to see that that cash balance is committed for the ongoing financing activities of the Port. I have taken some time to explain these areas of the company's financial operation as so often profits, as distinct from cash, are confused, though I would be the first to agree that cash is in fact generated through profits.

While I am proud to have played a role in the profitability of the Port Authority, I would quickly point out that these profits are being ploughed back into the company to the benefit of the people of these Islands. It is, therefore, misleading for anyone to give the impression to this House and the listening public that the people of these Islands have not benefitted and are not benefitting from the projects which have and are being undertaken by the Port Authority. I am convinced that the people of these Islands understand all too clearly, that these needed facilities have to be paid for despite the long discourse we have had on inflation this morning. And I wish that I felt inclined to speak on most of those points raised but I do not feel that it is either necessary or appropriate.

Now, as regards the allegations that the fee increases imposed by the Port Authority is going to cause much severe hardship, let me show the minimal effect that this will have. Let me first deal with the increases to the importers which is the price which would normally be passed on to the consumers. As stated earlier, I have shown the comments of the major importers as regards their feelings of the effect of such increases. At this point I would advise that the Port Authority did not increase tariff for 13 years from 1977 until 1990 at a rate of 30 per cent.

Similarly, I would mention here that the same criticism that the Government got for that bulk increase and waiting for a such long time was levelled at me as regards the Post Office increases. At that time I was advised by some Members of the Backbench that this should be considered on an annual basis and not left for such a long time. I am sure that some of those Members realise that my tenure on Executive Council did not start in 1977 but in 1988 and that since then I have tried my best to rectify many of these areas.

Madam Speaker, the Authority at that time took the decision that prices would be reviewed on a yearly basis and increases would be introduced in order to keep the tariff in line with the inflation figures, not to push it up as has been alleged today.

Let us look at the effect of the increases. The present increase only reflects a 35 cents per ton which is 2000 pounds which (and anyone that would wish to take out their calculator can do this) translates to .000175 of a cent on one pound of cargo. Yet, we hear that the increase is going to cause such detrimental effects on the people of these Islands. One hearing this and seeing the facts before the House today can only wonder what was the real motive of bringing such a motion. Was it in the interest of the people, or for political reasons?

The point is that less than one cent is being charged on a pound of cargo.

MR. W. McKEEVA BUSH:

That is your figure, like Matalon's land!

HON. LINFORD A. PIERSON:
himself and have the manners to allow people to speak in this House without undue interruptions. I am tired and sick of the bad manners exhibited in this House.

Madam Speaker, I just wish that that Member could contain himself and have the manners to allow people to speak in this House without undue interruptions. I am tired and sick of the bad manners exhibited in this House.

MR. W. McKEEVA BUSH:

I caught it from you when you were on the Backbench.

MADAM SPEAKER:

Order! Order!

HON. LINFORD A. PIERSON:

And I believe that the members of the public feel the same way.

Madam Speaker, it will be interesting to see what increases will be passed on to the consumers as a result of these fees. We have seen what the merchants had to say about it. Some of them feel that it is so negligible that they probably will not even make a note of it. It is in the papers. It has been said by them yet we have the mover of this motion telling the Honourable House and listening public that it is going to have such a disastrous effect on the people of this country.

(Addressing a Member) It is paid for by me.

Madam Speaker, .000175 cents per pound of cargo, you can figure it out what effect that is going to have. The average increase on a 20-foot container is \$7.43 and on a 40-foot container is \$14.86. And that could have anywhere from up to \$50,000 worth of cargo in it.

The increase in the tariff for berthing, navigational aids and running lines was long overdue, not having been increased for 14 long years. Why did the Government before not see about this and not criticise me for getting it done?

(Interjections)

MADAM SPEAKER:

May we have some Order in the House, please?

HON. LINFORD A. PIERSON:

Further, Madam Speaker, the average increased cost per bill of lading (and I am pointing these things out so that the House and the listening public can assess for themselves what is the true position), will be \$1.50. If this increase is reflected correctly by the shipping company this will be an addition of certainly not more than \$2 per bill of lading.

For instance, if I took an example of one of the freighters that comes to Cayman, one will readily appreciate the following position. The old charges for navigational aids were \$20, of course it was increased by 75 per cent but only to \$35. Berthing for two days was increased from \$111.93 to \$223.86. They say 100 per cent, of course! But what is the quantum? The running of lines were again increased by 100 per cent, but what was the quantum? It was increased from \$65 to \$130. Let us deal with the facts.

This represents an increase overall of \$191.93 for a ship that probably brought \$100,000 or \$150,000 worth of cargo. The average bill of lading on such a ship would be at least \$130 which should reflect an increase as I mentioned, to the importer of no more than \$1.47 per bill of lading. So, the importer should not be charged in excess of say \$2 per bill of lading, as I stated earlier. I could on and on about this but I believe that the Honourable House and the listening public have seen the point.

I also believe, though well-intentioned, that this motion is unnecessary. It is not correct, as I have demonstrated from the facts and figures, that these fees will adversely affect the average Caymanian as has been alleged. The people of these Islands can be justly proud of the operations of the Port Authority. It is one of the best and most efficiently operated Authority or statutory body, in this country.

I am very proud of the members that I have on my Board of Directors to work with me and I can assure Members of this Honourable House that individual members of that Board, including myself, would not be a party to imposing any tariff measures that would adversely affect the people of these Islands.

Madam Speaker, as Chairman of the Port Authority Board, I would take this opportunity to thank the members who have served with me on this Board, members like Capt. Shelby Hydes, the shipping agent, and these I am only highlighting this to show the quality of people that I have on the Board who have been a party to the increases that I am being criticised for today. Capt. Shelby Hydes, shipping agent; Mr. Donovan Ebanks, Chief Engineer PWD; Mr. Woodward Terry, the Assistant Financial Secretary, who represents the Financial Secretary on the Port Authority Board; Capt. Coolidge Connolly, a renowned businessman and Captain; Mr. Carlon Powery himself, the Collector of Customs; Mr. Sonnyboy Bodden, another renowned businessman; and a representative of the Chamber of Commerce in the person of Mrs. Berna Murphy. These are the people that are concerned with these increases.

It would be remiss of me not to mention the invaluable contribution that has been made and is being made by the Secretary, Mr. Errol Bush, MBE.

It can be seen from this august body of individuals that the Port Authority is run in a most professional and reasonable manner and in the best interest of the Port Authority and the people of these Islands. There is therefore no justification in the section of the resolution to this motion which alleges that these tariff increases will damage the average Caymanian or cause them any economic hardship.

I am therefore unable to support this motion. Thank you, Madam Speaker.

MADAM SPEAKER:

The Third Elected Member for West Bay.

MR. JOHN D. JEFFERSON, JR.:

Madam Speaker, as the seconder of this motion, I naturally rise in support of the motion. I object to the increase of Port fees at this time because I feel that the increases are neither warranted or justified.

I feel that the timing of these increases is very poor in light of the fact that at the present time our country, like so much of the rest of the world and in particular the United States, is experiencing a recession. As a result of this recession unemployment is up and for the first time in a very long time in this country our people are finding it difficult to find steady employment.

Those who are employed, especially in the tourist related industry, are only allowed limited hours which definitely affects the amount of take-home pay that they have

available at this time. In addition to that, according to the Port Authority Report for 1990, there has been a decline in the volume of imports in this country.

The timing of this increase is poor. Also, I feel that the increase is unjustified in light of the fact that the Port Authority for 1990 experienced its best year yet financially. I read excerpts from this Report which says: "Net profits of \$973,041, over \$70,000 more than was netted in 1989, making it the most successful financial year to date.". It goes on to say: "This was due in part to the 30 per cent increase in Port service charges instituted during the year, the first such increase since the Authority began its operation in 1977.".

That increase was the first one 13 years, yes, but that was 30 per cent and as a result of that increase the Authority experienced a net profit of close to \$1 million. So the increase is not justified. It is my understanding that you increase fees or charges when you have an increase in cost or where you are concerned with covering a projected deficit and neither is the case at the present time as far as the Port Authority is concerned.

The thing to remember is that the Port Authority is also a monopoly. The Port Authority competes with no other entity at all in this country with regard to the import of goods other than at the airport. That is also controlled by Customs, which is also another Government department or entity.

Madam Speaker, regardless of what the Member for Communications had to say, the fact remains that these increases are going to be passed on to the consumer. The merchants are not going to absorb this increase, it is going to be passed on to the consumer and it will further affect the cost of living in this country, which is already being heralded as too high.

At the end of June this year, the cost of living had increased by 9.6 per cent. This was brought about by the massive tax package that the present Government brought in 1990 which amounted to some \$10 million. So there is no question. It will further affect the cost of living in this country.

The Cayman Islands as a tourist destination is also touted to be very high and in light of the fact that this past year we experienced a decline in the number of tourist air arrivals in this country, I feel that the only effect that these increases will have will be where the Cayman Islands will only continue to decline as far as tourist arrivals are concerned because the average tourist that visits these Islands cannot afford to do it and they have so many options available to them like so many of the other Caribbean destinations who are virtually giving away their destinations to attract tourists to their shores.

The increases are going to affect every major sector of this economy including housing. Today the average Caymanian cannot afford to build a home. Why? Because of the continuous spiralling cost of construction. To give you an idea of what I am talking about, back in 1977 or 1975, when I built my home, which is a three bedroom home consisting of over 2,600 square feet, it cost me in the range of about C\$30,000. Today, in order to build a home, not that size but much smaller, it will cost you easily over \$100,000. So what is happening is that these increases will only exaggerate the present situation even further.

What is unfortunate is that the wages of the average Caymanian in this country over the past two or three years has not kept pace with inflation which means that in light of the fact that the take-home pay is less for most Caymanians especially the hourly paid Caymanians, it costs them more for the same goods and services that they were able to purchase two or three years ago. Right now the average Caymanian is having a very difficult time financially making ends meet. Even if this increase resulted in an increase of \$1 to the cost of living to the average Caymanian, it would be too much at the present time.

Madam Speaker, as a Member of this House, the average Caymanian is a person that I am concerned about and whom I would continue to fight for and defend during my tenure in this House because that is the person who is presently experiencing a lot of financial difficulty because of the high cost of living in this country.

They said in 1990, that the \$10 million tax package was not going to have any significant effect on the economy and that has proven not to be the case. I have spoken to real estate agents recently and what they have told me is that the real estate market at the present time is virtually dead and the main reason for it is the increase in the Stamp Duty from seven per cent to 10 percent on real estate transactions in excess of \$250,000.

What our people at the present time need is not increases in the cost of living but this Government, if they were concerned about the people of this country, would be looking at ways and means of reducing the cost of living and enabling Caymanians to better cope with the present situation. But they are not concerned about the average Caymanian. They drive around in their fancy cars. They live in their exclusive suburbs. So they are not concerned. But you know the day of reckoning is not far off and I look forward to the day when the people of this country can once again show the present Members of Executive Council, that is the Elected Members, exactly how they feel about their policies over the past three or four years.

Madam Speaker, I support this motion. I think it is a good one. I think it is in the best interest of this country and our people and I see no reason why Government finds it difficult to support.

Thank you.

MADAM SPEAKER:

Proceedings will be suspended until 2:15 p.m.

AT 1:00 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 2:21 P.M.

MADAM SPEAKER:

Please be seated. Proceedings are resumed. Debate continues on Private Member's Motion No. 16/91. The Second Elected Member for Bodden Town.

MR. G. HAIG BODDEN:

Madam Speaker, I support this motion as the Government Member could show no justification, at all, for this arbitrary increase in fees. The Port Authority has functioned since it came into operation in 1977 and has performed quite well, both in terms of its operation and its finances.

During the early years of its operation there had been no increase in the initial fees for 12 years. Two Members of Council held the Portfolio with responsibility for the Port - Captain Charles from 1976 to 1980, I held it from 1980 to 1984 and Captain Charles, again from 1984 to 1988. During those 12 years neither one of us saw any need to increase the fees.

The reason, I guess, for this was that the initial fees had been well balanced and from its inception the Port showed an upward growth in number of ships arriving and amount of cargo passing through it. In fact, during that period the Port here also undertook to bear the burden of the repayments of the loan for the Cayman Brac Port, if they were unable to do so. And I believe that I am correct in saying that the Port here has made every payment or almost every payment on that loan, as well as having to pay some months for the operational expenses of the Port in the Brac.

The Port has also been able to take care of its own operation, has been able to keep the reserve, which is required by Law for it to keep, and to pay over what the Government at the end of each fiscal year any surplus funds which go into General Revenue.

We received in this meeting of the House and the Member in presenting the Report made an elaborate demonstration of it; a Report which showed that the Port's operation is quite healthy. This year there has been a substantial profit as the Third Member for West Bay read from the Report of nearly \$1 million.

So what is the reason for these increases? The Report showed that very recently the fees had been increased by 30 per cent. Why is it that in 12 years there had been no increase? Only a year ago there was a 30 per cent increase and now we are seeking another despite the fact that the Audited Accounts show no need. Is it because of the change in membership? Or is it because of the fact that the Port must comply with Government's established policy of taxing the little man, of helping him and small businesses out of existence?

So I see this move, this action of increasing the Port fees as only a continuation of the present Government's policy which they have carried on in everyone of the three successive years of their administration. There has not been a single quarter in which there has not been a substantial increase in some fee or other. As usual it is a tax that trickles down to the little man on the street.

Quite recently Government's own statistics showed that Government is the culprit in the rising cost of living which we are experiencing here and in fact that Report singled out the excessive increases in medical fees as one of the components in the rise in the cost of living index. All the other components are directly attributable to Government.

The Member from Government who spoke probably struck by his own conscience mentioned the criticism he got about the Post Office Box fees. I remember that quite well because he promised sincerely that there would have been a review of those fees, at least this was published in the newspaper at the beginning of the year and there has been no review.

Of course, we know there was discord in the camp and one Member had said there would not be, but I must say that this increase is also similar in many respects to a tax that was put in under air freight because it affects the same thing.

One of the reasons why there had been no increase in the Port fees over the years had been because Governments in the past had come to realise that any increase in Port Fees would affect every person in these Islands. More than 90 per cent of all consumer goods are imported through the Port of George Town and the Port of Cayman Brac and they know that any increase in Port fees would be immediately reflected in the cost of living and would especially hurt those people at the lower end of the economic cycle.

In today's paper the Chamber of Commerce has voiced its concern over these increases and to quote from the paper they say: "These increases, although considered by some as nominal, will undoubtedly have an inflationary effect on the Cayman economy." This is true because any increase at all, no matter how insignificant, is bound to have, if not more than a psychological affect, an increase which will be felt.

We know there are several economists here and they know about the multiplier effect that these increases bring but when it concerns them they play hooky and are absent. And when they are not playing hooky they try to down play the very large increases they put in by talking about the little increase per ton and that a ton is 2000 pounds.

They do not tell you that that little increase is put onto a fee that was already sufficient and had been sufficient for a number of years. With a few exceptions many of the things brought in, especially by the little man, are not brought in by the ton and that in most instances when a charge is made it is made on a per ton, or part thereof, basis, so that whether it is a pound or the minuscule portions that he figured out on his calculator, you may get the same charges. So do not try to put the people's minds at rest, that we were only going to charge the big boys because when these 40 foot containers come in they contain goods that belong to little merchants and to individuals who merely have a single package and any increase is passed on to them.

It is my firm belief this increase which we know is supported by all the Elected Members of Council has been put forward for no other purpose than to try to solidify their shaky

economy. It has nothing at all to do with the Port, but anywhere they can grab a dime now, they are grabbing it and perhaps they are setting the stage for another massive loan that we will hear about come next week.

The Government seems to have a voracious appetite for money which it will squander, an appetite that cannot be satisfied nor appeased - an insatiable appetite. We know they need the extra funds from the Port Authority to balance their budget for the 15th of November. On the other hand, I believe the time has come to take away from these Authorities the power to tax and put it back into the hands of the Legislative Assembly because these Authorities are now abusing it. We saw only a couple of weeks ago the heavy increases put on by the Civil Aviation. All the public knew about it what was printed in the Gazette how this arm of Government had increased the fees at the airport. I say it is time to take away the power to tax the public. Leave the Port Authority alone to operate the Port and the Legislators fix the taxes.

The Chamber of Commerce continued in its article to say: "We must, however, realise that the local Cayman economy is a fragile one and that we cannot continue to expand Government at the expense of the public.". I think this is what is happening here. From the remarks made by the Member responsible, it is clear that the intention is to have an operation that is going to cost money, far more than it should. I also read in the Editorial in the paper this morning that the Port Authority needs to look at eliminating the need to spend half a million dollars for trucks. To quote the paragraph it says: "This would eliminate the need for the Port Authority to spend between C\$250,000 to C\$500,000 to buy trucks and other equipment, hire drivers (and not have to bring in any foreign workers), or spend money on repairs and maintenance, health or vehicular insurance, retirement plans, fuel, etcetera.

They are certainly building an empire. So do not believe any nonsense about modest and nominal increases. They are playing, as I always say, for the mega bucks, the big dollar.

The sad part about this increase and previous Governments knew this, that an increase in freight rates also bring to Government increased duties which means that the importer not only pays the freight but he pays an additional 20 per cent duty on the freight which he paid. We saw this happen with disastrous results when the Government charged duties on 100 per cent of the freight at the airport and Members will recall how the Member for Tourism himself admitted in this House that that had affected Cayman Airways. Perhaps he has forgotten this, it has been some time but I wrote it down at the time.

So freight is one of the components for calculating duty and in the present instance a nominal 3 per cent to 5 per cent increase is actually increasing the cost of the goods to the consumer by 3.6 per cent. But what the Chamber did not point out that that is not the only increase, that is only the increase to the importer because when the supermarket or other business imports the goods and has to pay this 6 per cent more because of the action of our Member for Communications, the supermarket is going to put a profit on that 6 per cent. He has to because the supermarket has to pay its staff. He has to pay maybe the overdraft at the bank, if he has one; he has to make a profit for himself or he cannot live.

So what we hear about, and I know other Members will get up and try to argue, in fact, if we believe them they would argue this whole increase away but it is not so, it is there and it is real. What they have done is going to increase whatever cost was on the goods. Including freight, it is going to increase by a figure upwards of the 6 per cent on that portion.

The Chamber said (and I close with that hope myself), that we trust that Government will remain the protector of the people and not the provider of services. But I do not think we will get it with this present Government because they are bent on doing all things in the most expensive fashion to all people. In concluding, Madam Speaker, I would say the total effect of this increase will be felt all the way down the line and can only hurt an economy on which this Government has already put the kiss of death.

MADAM SPEAKER:

Honourable Elected Member for Education.

Would any other Member wish to continue the debate? The

HON. BENSON O. EBANKS:

Thank you, Madam Speaker.

I cannot support the motion before the House. I believe that the Member for Communications and Works demonstrated that the increases put in place by the Port Authority are reasonable, that they cannot and will not have any effect on the cost of living to the average person. The Second Member for George Town rightly said that for the first 12 years of the operation of the Port, there had been no increase in fees and he went on to say that the reason for that was that the initial fees were well balanced and that is so.

What the Member did not say was that it was not his Government that set that scale of fees. It was, in fact, the Government from 1972 to 1976, that negotiated the loan and set the fees to repay that loan.

It is a similar move now. The time has come when the Port facilities have to be improved and the choice is between expanding the Port in its present facility or in its present area; an expensive proposition, a prohibitively expensive proposition, or removing the storage of containers to an off-site location which is what the Port Authority has decided to do. While Members have zeroed in on the near \$1 million profit made by the Port last year, the Member has shown where cash flow was not as great and what could further be stated was that they did not have any loan repayments in respect of this new development last year but they would be having them this year and next and on and on until it is repaid. An investment of some \$4 million.

So if the Port Authority has found it necessary to increase fees that have not been increased for a long time, as was pointed out fees that in fact go to the ship; the fees on a 40 foot container, as was pointed out, would be about \$14 and in that container you would probably have at least \$50,000 worth of merchandise and I want to know how anybody is going to calculate the percentage of \$14 on

\$50,000 in order to put on a percentage increase? I think the charges are well spread and I do not believe that they are going to result in any increase.

I am not particularly interested in any input from the Chamber of Commerce. I have not seen anything to indicate to me that we have any geniuses operating that. I know that every time you turn around they are playing consultant, particularly on matters pertaining to Government, but when you go and ask something about trade you cannot get an answer.

Madam Speaker, the truth of the matter is that when the Member introduced the question of trucking the containers from the Port to the facility at North Sound Road they are talking about getting into private business. Nothing could be further from the truth. That is the continuation of a service which the Port is now doing. The Port takes the container from ship-side and rests it at a place within the dock where it is collected by private industry, by private truckers.

All that is happening is that the distance that the distance that the Port is moving the container has been increased. The Port will now move the container from ship-side to their facility on the North Sound Road and from there it will be picked up by the private truckers in the same way as they are doing now. It is not depriving private truckers of one red cent.

It is my opinion that that red herring is being drawn across the road by persons with vested interest. I believe that the Port Authority is being well advised to resist the temptation to allow the shipping companies, in particular, to completely monopolise the system by also getting control of the trucking. Without their equipment, that is, the Port Authority having its own equipment to do this, we would wake up one morning and hear that the rate has gone up double, or triple or quadrupled, as has happened with freight rates. I believe that the Port Authority is doing the right thing.

We had great lessons on inflation and economics and the trickle down effect here this morning and we got lessons on what to do to attract tourists. What nobody from the other side said was that in spite of the fact that we are down some 4. + per cent in tourism the performance is still better than what is being done in those countries that are giving away their product. So, it is obvious that we are doing something right and that something cannot be what I hear coming from the other side. That cannot be attractive, so I too will welcome the day in the not too distant future as some Members said, when the people of this country will be asked to give their grading to the performance of this Government. And I do not have any concern about what that grading is going to be.

The only fear I hear being expressed is that some of us said we have had enough of it and we might not stand again and they are begging us to continue; asking us not to leave them to what they hear coming from the other side.

The Second Member for Bodden Town touched the crux of this resolution but he did not reach the right conclusion when he said that the power to tax should be taken from the Authorities and put in the hands of the Legislators. What he should have said was that this motion really is whistling in the wind because these charges were put in by regulations an administrative function and cannot be Legislated in or out in this House. "Tom Fooling" the people! The Second Member for Bodden Town also said that the Port charges on portions of a ton. It is my knowledge that, in other words, he gave the impression that if you had less than a ton you would pay on a ton, that is not right. The Port calculates it to the percentage of a ton. You pay the proportionate amount.

I accept the views expressed in the article this morning by the three major supermarket operators that these fees need not cause any increase to the consumer. I personally have some experience with this, that is why I can speak with some authority on it. One would not be able to transfer this increase on an item; in my opinion, if anybody uses this excuse to increase prices it certainly is not a mathematical increase and they would have done it anyway. It is not justified.

With those remarks I have to state that I cannot support this motion. Thank you very much.

MADAM SPEAKER:
Member for Bodden Town.

If there are no other speakers, would the First Elected

MR. ROY BODDEN:

Thank you, Madam Speaker.

In rising to support this motion I would like to begin by stating that the argument given by the Elected Members of Executive Council who spoke is spurious at best and cannot hold water, for if the increase is as minor and as minuscule as they would make out, then one could logically suggest there is no need for the increase at this time.

I cannot understand how the increase in the fees are not bound to affect the users of the facility and by inference the goods which pass through the facility to such an extent that it will be passed on in the prices of goods. It is my understanding that this is the first time since the inception of the Authority that the fees have been raised like this and I wonder what is the motive?

What the Elected Members of Executive Council have still never been able to understand, for all the fun they poke, and all the derision they make at people on this side, and still further claim that some of them are chartered this and chartered that, is that there are three recognised ways to balance a budget. You can reduce your expenditure, you can increase your fees or you can expand the economy. If the present Elected Members of Executive Council were as successful as Governments in the past were in expanding the economy, there would be no need to increase the fees and to tax the people as they have been doing in the recent past, irrespective of the fact that they brought in a consultant from every street corner they could find over yonder.

I can see no reason why this increase should be visited upon

our people at this time and while I agree that the principles of the permanent supermarkets are saying that according to their assessments it is not likely to detrimentally affect the price of goods. They have not categorically stated that there will not be some increase. We have to recognise that the merchants are in business to make money and so they must pass on to the consumer any rise in prices or fees which are passed on to them by the Port Authority, but I contend that the greatest and the most over-riding reason why there should not be a raise at this time is the fact that the Port Authority recently announced a net profit of \$973,041. Net profit, Madam Speaker.

To my understanding that means that that was what they were left with after having met all their operational expenses. So if that is the case, why then put what the Elected Members of Executive Council term this "minuscule raise in fees" now? For what purpose is it? If the Elected Members of the Executive Council wanted to do something constructive they should sit down with the four powerful brains they claim to have and come up with ways of expanding our economy so that they would not have to tax the people. They would not have to raise these fees, and our country would not be in the economic morass that they have put us in now, and, worse, that they are going to leave us in at the end of their tenure.

I hear them talking about people asking them to stay on. All I have to say is that it is a pity they cannot stay on, because the mess they are going to leave will take no less a cleaner than Hercules himself to clean up.

Thank you.

MADAM SPEAKER:

If there is no further debate I will ask the Member if he would like to wind up. The First Elected Member for Cayman Brac and Little Cayman wishes to speak.

CAPT. MABRY S. KIRKCONNELL:

Thank you, Madam Speaker.

Private Member's Motion No. 16/91 Reduction of Port Authority Fees has created a considerable amount of debate here today. I share concerns of inflation which is coming into our country. I realise that when the introduction of an increase in rates to the extent of 30 per cent, as was required in 1990, hits the economy it has to have a devastating effect. I therefore would like to look at the rate increases that have gone into effect in September and talk briefly on those.

It is my belief and my experience in the past that it is better to have small increases with closer proximity to each other than for us to wait a long distance of time and then come with a large increase which none of us can afford to pay. We have noticed that because of the price of gasoline and other products of that nature, as well as groceries in the grocery store, either we have had to curtail what we buy or absorb the increase.

The increases by the Port Authority in 1990 to make up for what they had not done for some 17 years made it very difficult. So I would like to support the move that the Port Authority is doing to look at it on a shorter span in adjusting their rates.

I would like to explain that I have had experience as a merchant and also in the shipping business. The small percentages we are talking about which will affect the merchants range from 4.61 per cent to 2.56 per cent. That is a very small percentage on the Port Authority charges. These have nothing to do with the original cost of the merchandise or the CIF cost. This percentage that I am now quoting is the increase simply on the Port Authority charges. So I do not want people to misconstrue that these percentages are an actual increase in the cost of the merchandise that you will be buying. They are simply an increase in the Port Authority charges that will be billed.

We look at navigational aides. This is an item that I have had a lot of concern with for over 20 years. Some countries charge as much as \$20,000 as an entry fee into their port for large ships. The Cayman Islands assesses CI \$20. I would strongly suggest to the Member responsible to the Port Authority look very seriously at navigational aide which, in essence, is a fee for the use of our lighthouses and the navigational facilities around the Island. I think it should be graduated in accordance to the size of the ship which enters the Port of George Town or the Port of Cayman Brac. Considerable money could be raised by the Port Authority, and this fee is a very reasonable fee. Larger ships would be something in the neighborhood of \$1,000 instead of \$20. Therefore that would enable us to some of the other items we would not need to increase on from time to time.

Other items which will be paid directly by the ship owner, like running lines and berthing fees, are assessed, some on the length of the ship, some on the gross tonnage of the ship. Neither of these amount to very much today in a modern port facility, such as the Port Authority has. Your turn around time is very short. Back in the early days it took five days to discharge two or three hundred tons of cargo. Today one of these containerised ships are in in the morning and out that same night. All can be done in a matter of a day or two at the very most. So the actual berthing are not large amounts of money, \$100 at the most.

Although it has been mentioned by some members that some of the rates are being increased by 100 per cent, when you increase a small amount by 100 per cent, you still have a small amount of revenue. Therefore, one of the concerns that I have is the fact that Cayman Brac, being an add on port, will suffer with additional handling charges. But we do realise that the revenue generated by the Port of George Town supports the port expenses in Cayman Brac, for which we are grateful.

I want to make it abundantly clear that one of the reasons that we are able to enjoy the freight rates that we do here in the Cayman Islands today is because of the modern port facilities. If we did not have the modern port facilities that the Port Authority offers then freight rates would be twice as high. The only means a ship owner has by which to earn, is the time his ship takes to load and discharge and the time it takes to go from port to port. That is where they calculate the freight cost. Because George Town and Cayman Brac now being able to handle cargo, George Town at a relatively fast pace and Cayman Brac at a reasonably rapid rate, is why freight rates can remain where they are. So I want to say that unless the Port Authority

keeps a progressive look and keeps their port facility modern and up-to-date, we will be the losers, not the gainers, because the freight rate will increase.

Your import duty is calculated on the CIF value of goods, so you will have to pay import duty in addition on those, so the overall cost of living will increase much more than they will increase by increases by these charges to the Port Authority.

Madam Speaker, with these words I support the bill.

MADAM SPEAKER:

If there is no other debate would the mover like to exercise his right of reply? The Second Elected Member for Cayman Brac.

MR. GILBERT A. McLEAN:

Thank you, Madam Speaker.

I rise to support Private Member's Motion No. 16/91 which seeks to reduce the Port fees to their original charges. I think this is a reasonable request because of the effect which an increase in these fees will have in terms of inflation in the society. Our society at this time is feeling the effects of recession and any increases by Government through a Statutory Authority or otherwise is bound to have effect in creating pressure on already scarce money supply.

Only yesterday, I had the opportunity of speaking with a very influential man in this society; one who has large investments, a Caymanian who has a lot of business interests here, and he was saying to me that just by monitoring over the past few months what has been happening in his business (and he has a wide array of businesses, but he particularly spoke of his business of food service), it is clear that we are having a recession which the Government does not seem to be aware of. His opinion was that when things are well in the society that food purchases particularly go up and indeed now they are down. He also noted that the Government seems to be quite unaware of this condition.

I think that is very true, that is a fair assessment of the Government's position on these things because the arguments from the Government's side today have been that the proposed increases are so small that they are insignificant. But certainly they are significant enough that the Port Authority intends to derive much more revenue from them than what it is presently making. So how can the Government say they are small, that they are insignificant? Certainly, they are significant enough that the Port Authority intends to derive much more revenue from them than what it is presently making. So how is it on one hand, the Government is saying they are small, very small indeed? If they are that small why did they bother?

The truth is that they are not insignificant and it is not small and the effect will indeed be large on the economic conditions here in this Island. It was noted by a previous speaker that it is going to have effect on the two Islands I represent, Cayman Brac and Little Cayman. That is true because by the time the charges reach there they are significantly increased. So it is certainly going to have an effect in that way and on those Islands as well.

It goes without saying that an increase in the Port Authority fees will be included by merchants in this country to the extent that they will mark up their goods because undoubtedly they have set their profit levels, they are selling their goods at a certain figure at this time and there is no good cause for them to want to take less.

It is extra hopeful (but I certainly do not share that hope) that merchants in calculating their goods which come in through that port are going to do so at the fees which were levied prior to this time. That is a bit ludicrous. They have to use the present charges as they exist and so those charges will be reflected in their goods and the consumer public will pay the extra price from money which is already in short supply.

Various figures were read out here today by the Member responsible for Communications in an attempt to show how very, very small and insignificant these were and expressed certain concerns of theirs should be any increase in prices or of any significance. I wonder if, when these prices are being changed, any attempt will be made by the Government or by the Port Authority to prevail upon the merchants in terms of their pricing; or if indeed the Government attempts to find out if there is any particular formula by which pricing is done by the larger merchants, at least in this country; and for such increases to be coordinated in such a manner that one truly reflects the other.

I feel sure that is not done and all of us who live in this country well know one does not have to coax the merchant sector of this country to increase its rates. Undoubtedly rates are going to be increased and the public is going to pay for them.

With the recession which is on in this country, in the United States and with the fact that the country is still not recovered from the \$10 million tax package put in place last year this has to have significant effect on the country, particularly at this time of year as well when prices would normally rise with Christmas coming on and there are no great and positive projections that things will be improving in the new year.

The Member for Communications noted that the fees had not been increased for many years, 14 years, and really that does not say much for successive administrations and certainly not for the present one. What the present one needs to be aware of is that because there was neglect in increasing fees in sensible amounts and percentages over the years, it cannot justify increasing fees which are relatively low or acceptable and at a certain level to three and 10 times their amounts as has happened in some instances here, during the time of this Government, in the recent past. As recent as the last increase, I think it was July of last year.

A most important factor, in my opinion, is that the Port Authority this year realised a profit of approximately \$1 million net. That is something significant and I also believe that this is a million dollars which if anything should increase in the next financial year of the Port Authority since included into

the figures were various capital projects which the Port Authority paid for and took care of. So if they were able to do that, and to show a million dollars profit it cannot be justified in my opinion now to increase the fees as they are suggesting. Also very importantly is the fact that it must have negative effect on the economy of this country and everyone, everyone will be affected by it because we are an importing country with exports virtually zero. We import everything thus it means that prices will increase on everything coming through the Port and so financial hardship will be increased in the community.

where they were originally.

Madam Speaker, I support the motion to reduce these fees to

MADAM SPEAKER:

The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN:

Thank you, Madam Speaker.

This motion is one which is geared towards reducing a continuing and excess and hard amount of taxes which this Government has continued to put on the average Caymanian. It is in my view a continuation of a desperate attempt by the Government to extract the last dime in revenue to support what has become a mammoth expenditure by an ever growing machine of Government that seems to have no limits to its spending.

The tax itself is a continuation of what I understand was the 30 per cent put on last year on the 29th of June, 1990, and as part of the \$10 million or so taxes of last year. So the people can expect that this is going to be a way of life with this Government to the bitter end. They are going to tax in every way they can to get every penny they can because of the Governments massive appetite for spending money.

It is not good enough for the Members of Government to say that this is a small amount. In a time of recession every cent is important to the average Caymanian. Every cent that is taken away from what I will refer to as the little man, a phrase coined by the Member for Communications and Works, hurts the little man. Not only are you going to see these 3 to 6 per cent tax increase here, but when you take into account that import duty is also charged on it it extends the extent of this tax itself.

Further, there is the multiplier effect that we hear a lot about when it is dealing with matters such as revenue that is coming in because of tourists to the Island or otherwise and the way that works is this. For every dollar or \$100, for example, that tax goes on you multiply it by about five to seven times because we know that the retailers are going to pass this on. They are going to pass it on to people who work in other areas of the private sector, who in turn are going to have to add to their businesses to make up for it and those businesses in turn will also have to charge more to others and by the time it trickles down you are looking at about five to seven times what is here now. And it all adds up to one thing, it adds up to inflation and it adds up to oppression of the people with the least income at a time when the country is in an economic recession.

When we look at the fact that the Port Authority has some \$4.4 million between its general reserve and the million dollars or thereabouts it made this year, I cannot see where this is justified for the port. No-one can tell me that at this stage (regardless of what the Member for Education says) that this increase in money with a port that is flush is going in there for purposes of the port. And I will tell you in due course why I believe that this has been put on.

What is most significant is that some of these charges are not increases as were the earlier ones but those that are to come into effect under the regulations made in September 1991, are totally new charges. These are 100 per cent increases, 100 per cent charges because nothing existed before and for example, if for some reason, and I think this specific regulation is really going to hurt people in Cayman Brac and Little Cayman, if a container has to be lifted off a ship and put back on and it is 40 feet long then it is \$260 that goes on it. On top of that the Brac people are going to pay the import duty on top of it.

The addition of the trucking charges of \$28.50 for 20 foot containers and \$40 for containers over 20 feet is a new tax. There is no question of 3 or 6 per cent. Regulation that amends Regulations 107 and 108 puts and additional tax on and we know that this is going to be passed off to the man in the street and I know and the Member for Education knows, he is in the retail business, he is not going to take money out of his pocket to pay for this. It is finally going to go on at some stage to the man in the street.

So what we are doing here now is hurting the man in street. It is hurting the people with the lower income hardest at a time when they can afford it least. Because these charges are going to increase everything up. Let us not kid ourselves in that respect. Basic necessities of food, which at least the Government I was a part of took import duty off, 20/30 items, here we have this now increasing up in areas where it is bound to hit the person in the lower income bracket.

It is not good enough for the Member for Communication and Works to try to blame the people on the Port Authority Board or say that it was some of the people who were there who did it. The responsibility is his. He is the man in this House who must answer for it. He is the man who champions (especially during the time of elections) the little man. I would like to know how he is going to explain this to the little man in a few months time when the time for voting comes around.

I do not feel that this is something that should be put on at this time. The reason why in my view, it is my opinion, the reason why this has been put on is not just to help the Port Authority, but it is because at a later stage when the Port Authority builds up its balance of accounts further under Regulation 4 (8), this is going to be passed on to the general revenue of this country to balance the budget for expenditure and other things and Regulation 4 (8) says this: "Any balance in account of favour of the Authority up to the amount of \$50,000 may be carried forward to the account of the following year. Any balance in excess of that sum shall be paid in to the general revenue of the Islands."

That was amended from what I can see to \$100,000 but it still

remains in there. So what is happening now is that the Government in its desperation to balance the budget in November is putting these taxes on to a Port Authority that is flush with money. In fact, its reserves are actually one-third of what the whole Government's reserves are. The General Reserve at the end of 1990, was \$4,435,000.

What is going to happen, the same as they have taken the excess funds out of other corporations and especially the monetary Authority, is that they are going to bleed the money out of this in due course. So it is really going to come back to the fact that we are not going to be paying for things that are going to be done for improvements in the Port but we are going to be paying in due course for money that is going to go somewhere on roads or some of the other massive projects that the Government is going to try to put forward in this year before the coming election.

In summary, what I find is that firstly when you look at the multiplier effect on this in a recession when it is much more than you get in a state of boom, the tax itself is going to hurt the average man, the man with lower income is the man that is going to be hit by this and his family and children are the people who are going to take the biggest burden of this.

It is done at a time when the Port Authority has made nearly a million dollars profit and has in total with that profit some \$4.5 million of General Reserve and whether we talk here about this not being passed beyond the merchant. We know I think Captain Charles Kirkconnell was the one who mentioned, he is going to study it and see what the effect is going to be because it is going to be passed on. We would be naive to stand here and believe it is not going to be passed on.

Lastly, Madam Speaker, anyone who stands in this House and tells this Honourable House and members of the public that he is putting on taxes which are going to help him by taking the money out of his pocket, then either he is totally naive, which I believe no one in this House is, or he just simply is not telling the whole truth to the public in relation to it. Taxes hurt and these taxes are going to hurt the little man and hurt him and his family badly.

MADAM SPEAKER:

If no other Member wishes to continue the debate, would the mover like to conclude now? First Elected Member for West Bay.

MR. W. McKEEVA BUSH:

Madam Speaker, I want to thank my colleagues on this side of the House for supporting this resolution and for ably demonstrating the realities that face the country. Two Members spoke on Executive Councils behalf and I want to deal with them one at a time.

The Member responsible for the Portfolio seems to forget and has a good way, because he understands a little bit about figures, of twisting things. Twisting figures to make them look the way he wants them to look but it was Winston Churchill who said figures do not lie. It is people.

He went on trying to deny that the fees will have any significant impact. So he admitted that there would be some impact and he crossed his wires with the Member for Education who said that no one was going to put on anything. So one is saying that it would have some impact, whether insignificant or not, and the other one is saying no, it is not going to have any effect.

What would have been good for the House and for the people of this country is if both of them would have said what the amount the Port was going to gain from these increases but neither of one of them, big as they are, would say how much the Port was going to make from it. If they had said that the people would better and the House would better determine what is significant and what is not.

Of course, they took a shot at the Chamber of Commerce, both of them. While criticising the Chamber of Commerce they talked about the one person the Chamber of Commerce has on the Board. She must be in agreement with the statement. She must be, I think she is on the Executive. Anyway, as for what the Member for Communications had to say, I am not going to deal much with him because he could not refute what I had to say. I want to deal with his attack on my interrupting him and the aspect of politics, I want to deal with those two things first. I want to deal with them because every one of them on that side has a knack for sitting there interrupting people but not speaking into the microphone. Now, Madam Speaker, you might not hear them because you are quite a distance away and you might not notice them. But of all of the Members in this House, I am closest to them. I sit directly opposite to them. So this thing about people interrupting people, so what if they are not doing what they are supposed to do. In every Parliament there are interjections from both sides of the House so why try to make it look as if I am such a bad fellow because I choose to ask them a few questions (when they are speaking that they would not usually talk about) but that they should be informing the House about.

I am not going to carry on about that. I have a loud voice, everyone knows it. Unlike some people, I am not a hypocrite because when they were on this Backbench they were doing the same thing. But they are reformists now. They are reformed people and it is a sin now. You do not have any manners if you interrupt. He should remember when the Member for Education told him that the trouble was that he could see him coming out of the elevator before he got out of it. Now, anyone listening to the debate and my introduction on the debate would admit that their were no politics thrown into the debate. I dealt with the matter of inflation and the way it has been affecting our people, and I also dealt with the sag in the economy. But the Member went on to talk about politics.

What I would like to find out from this House and from that Member is who plays any more politics than him? The bad part is that the four of them over there and in particular that Member, are taking the country's money, taking our money to do it. That is the bad part. That is evident in everything he does. If he goes to Cayman Brac he has 50 people with him and the press. If he comes to West Bay he has a truckload with him and the photographers. Do not talk to me about playing politics. I take my licks, and I have a job to do in this House and I try to do it.

Now he tried to give some figures saying that they were so small that he cannot find them on the calculator. That was the same excuse he used when gave away our land to the

Matalons. It was so insignificant, it meant nothing! He wonders why I brought the motion. I brought the motion because it is going to affect my people. It is going to affect the people who I represent and everyone living in this country already knows what prices are in this country. I stated the reasons. The reasons are in the motion. He should not have gotten up and asked about what the reasons were. He needs to tell what the real reasons were when they gave away our land for nothing and the real reason why he would not speak on Cayman Airways. That is what he needs. That is what he needs to explain to the people.

As for his threatening me about someone kicking my brains out, I do not hide anything. Let me tell you, and let me tell him, and let me tell this Honourable House this is the third times since I have been a Member (since 1984) that I have been threatened. I take it seriously. If he believes that I am scared of any Member in this House then he has another guess coming. He is not going to find me to be a Truman Bodden or anybody else. As for his kicking my brains out, I am glad to hear that he is going to kick them in and not something else.

When they cannot debate intelligently, when they cannot answer the intelligent questions or figures that cannot be disputed, they threaten us. Yet, they are the statesmen. They are the same ones, the four of them, who get up in the House and tell people that their people are begging them to run because they are the saviours, they are the statesmen, they are what the country needs. God help us if they should get another term. It is a pity that it was not this November instead of next year, because they are going to spend the country's money to help them stay in power to mamaguise the people. But I promise them, regardless of which supporters they have asking them to run, that when the bell is rung they are going to have to fight to get back; and the same McKeeva that fought hard to get them in Council is the same McKeeva whose brains they want to kick in, and the same McKeeva Bush that is going to put a whipping on them.

MADAM SPEAKER:

Honourable Member, I am a bit perturbed or mystified at these comments about kicking out brains. Did that occur as a statement of the House?

MR. W. McKEEVA BUSH:

Madam Speaker, it was a statement in the precincts of this Assembly. I will leave it. But I want them to know that I am a man, I am not a little boy and if either on of them attacks me at any time, I am ready to deal with them. So they can come. They cannot frighten me, they better know that. I have a job to do and any time I rise in this House, I do it sincerely.

Now, I am sorry that I had to raise it but it needed to be raised because that Members is the one who sits there trying to make people believe that he is an angel with his pious little attitude. Do not let anybody be fooled. The country knows. I am talking to the House but hopefully the country will hear me and they know. Let it go on record, I am not scared of them. I have a job to do and I am going to do it.

Now the Member said that I had spoken to him regarding the motion. That is true, I spoke to him twice. Once when he came down to West Bay to prop up the Education Member at a public meeting and another time. The Member told me that I should talk to the Port Director. I would like to have been able to sit down and have that talk but time did not permit. However, the Port Authority announced in the local media its reasons for the increase. Therefore, I did not see the need to waste time, even if I had the time. What I said in my opening stands. This is no time to increase fees.

While I am at that, I would also like to congratulate the Board members for their efforts. I am sure they do their best. I will not congratulate them on this increase in fees.

Madam Speaker, as for the Member for Education, he came with some convoluted nonsense about the motion not being effective because Executive Council increased the fees by regulation. I believe that this is a representative body and this Legislature can enact any Bill, any motion, or can take away powers that were given. If something was done, I do not see how that Member can say that if a majority of this House voted for this resolution that it could not be legal because they themselves took an administrative measure. What is the use of having a Legislature then?

If we were to leave them alone, the seven Backbenchers could stay out and sometimes I feel that way because you cannot get anything done and even if the House passes something sometimes, they still do not do it anyway. But we have a duty and I am not going to ever abdicate my responsibility in raising a matter in this House for action when I think that action is needed. I am not going to deal anymore with the Member for Education because I already know that that Member does not have the interest of his people at heart. That is not new to me. I found out late, but I found out.

He went on to say (and this is the last point on him) that the people, wholesalers mentioned by the Member for Communications and Works, said they were not going to increase anything. What that Member for Education said, who is a merchant, he did not say, "I am not going to do it." You did not hear that, did you, Madam Speaker? Do you know why? Because he is not going to take any penny out of his pocket to offset any increase. He is going to make sure that the consumer pays if they go to his shop, and that is the way business is run. How dare they come to this House and try to fool the people to say that these increases are not going to hurt them?

Madam Speaker, if the Port needed money, if it were losing, it would be one thing but the Port is making money and what this increase is all about is that the Port plans extensive expansion into the trucking business. That is what it is all about, an area where there is already sufficient people in the business doing a good job and an area that can now service the Port and is now servicing the Port. Maybe the Port is already picking up the container from the ship and putting it down in the dock yard where it is picked up by the businesses, but that is normal. That is the way that it should be. That is normal for a port to take it off of the boat and put it on their premises but what is planned now is extensive expansion to the point where trucks will be purchased. There is no need for it.

I reckon you will soon hear something else about our trucking

business. The Government, in my opinion, has no business in ventures which can successfully be undertaken by private enterprise. What is happening now is that it is costing Government more to operate most things than what it is costing the private sector. That is evident from all the hullabaloo that is going on in the country. As far as I am concerned, the Government needs to create the environment in which private enterprise, big and small businesses, can flourish. Government does not need to get into competition with business. Give business a chance. Help them.

You know we had the Member for Education talking about the Chamber of Commerce not doing anything about trade. Let me ask them. I brought a motion sometime back dealing and asking for incentives for small businesses, they passed it. What have they done with it? They threw that out of the window and instead of giving small businesses incentives, they are taxing them out of existence.

Do your work! That is what you need to do. Stop threatening people. If you want a job to do, do your work, you are being well paid. If you want to help small businesses you should find incentives to stimulate the economy instead of coming here and talking about begging or running. Run? They should run around the House but they should not go to the polls and nominate.

The operation of these trucks will only escalate costs in these Islands. More burden to an already growing bureaucracy. Have you seen anything like it? Have you ever noticed lately the size and the extent to which Government is building and doing things?

Cayman Brac will feel the effect because of the way Port fees are charged to them. I believe that the First Member for Cayman Brac said that it is something like one and a half times or two times as much. In other words, if we are charging \$100 down here, it might be \$200 up there. Do not tell me that this is not going to affect the people in Cayman Brac! It is going to affect everybody.

You know last year when those Members hiked 30 per cent onto goods we said to them, "Fellows, look. Do you realise what you are doing? You may not have increased for a long period but this is too much because the economy is slowing down."

"Don't worry about us, we can handle the economy." Yes, they handled it all right. What a mess! They handled with the largest deficit that we have ever seen.

In Cayman Brac I understand that Customs is even attempting to charge Custom Duty on Sears and Roebuck catalogues. Well, I will leave it to the people of Cayman Brac to deal with these people who so wantonly disregard their interests down here in Cayman.

This motion is very important and it comes before the House when, at a time there is much soul-searching in these Islands. Scarcely a day passes without our people asking, "What has gone wrong in Cayman? How did we get this way? What is happening to the cost of living?" These are the questions that are being posed to us as representatives. On the whole our senior citizens are worried and concerned because the purchasing power of their savings, those who have some savings, has been eroded to the point where they may be unable soon to provide for their own fiscal needs in old age simply because cost has gone sky-high in this country.

Our young and middle-aged citizens are frustrated, are perplexed by their inability to pay high interest and mortgage payments, by the inadequacy and high cost of housing and by the fear that no matter how hard they work, they will never get out of debt. That is the way people are feeling. This is the sort of thing, the feeling that is generated in the country today.

Regardless of what they might say, everyone in these Islands realises that these increases will affect us. It will add to the inflation rate. It is going to add to prices in the stores. My duty was to bring this to the floor of this House to ask for support, to get Government to look at it. Maybe if the Port was losing money at another time, they could take steps to remedy it but that is not the position at this time and therefore, I am asking this House to vote for this resolution.

QUESTION PUT:

THAT GOVERNMENT REDUCE THE RECENTLY INCREASED PORT FEES TO THEIR PREVIOUS LEVELS.

AYES & NOES:

MADAM SPEAKER:

The Noes have it.

MR. W. McKEEVA BUSH:

Can I have a division, Madam Speaker?

MADAM SPEAKER:

Certainly.
Madam Clerk, would you take the division?

DIVISION NO. 28/91

Noes: 8

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

Ayes: 7

Mr. W. McKeeva Bush
Mr. John D. Jefferson, Jr.
Mr. Truman M. Bodden
Mr. Gilbert A. McLean
Mr. Roy Bodden
Mr. G. Haig Bodden
Mr. John B. McLean

NEGATIVED BY MAJORITY:

PRIVATE MEMBER'S MOTION NO. 16/ 91 DEFEATED BY MAJORITY.

MADAM SPEAKER:

I shall now ask for an adjournment of the House.

ADJOURNMENT

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

Madam Speaker, I move the adjournment of this House until

MADAM SPEAKER:
until 10 o'clock tomorrow morning.
against No.

The question is that this Honourable House do now adjourn
I shall put the question. Those in favour please say Aye...Those

AYES.

MADAM SPEAKER: The Ayes have it. The House is accordingly adjourned until tomorrow morning at 10 o'clock.

AT 4:17 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., THURSDAY, 10TH OCTOBER, 1991.

**THURSDAY
10 OCTOBER, 1991
10:07 A.M.**

MADAM SPEAKER: Prayers by the Second Elected Member for Bodden Town.

PRAYERS

MR. G. HAIG 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.

MADAM SPEAKER: Please be seated. Proceedings are resumed. Presentation of Papers and Reports. Report of the Standing Finance Committee.

The Honourable First Official Member, Leader of Government

Business.

PRESENTATION OF PAPERS AND REPORTS

REPORT OF THE STANDING FINANCE COMMITTEE

HON. THOMAS C. JEFFERSON: Madam Speaker, I beg to lay on the Table of this Honourable House the Report of the Standing Finance Committee of a meeting which was held on Friday, 13th September, 1991.

MADAM SPEAKER: So ordered.

HON. THOMAS C. JEFFERSON: Madam Speaker, that meeting approved a total supplementary expenditure of \$556,885. A quick breakdown of that figure: \$10,000 was approved under Head 4 - Finance and Development - Emergency Relief, to enable the Government to make a contribution to the Government and people of Bangladesh who suffered substantially some months ago.

Head 31 - Communications, Works and Agriculture a sum of \$168,500 for clearance of the west end channel in Cayman Brac.

Head 33 - Mosquito Research and Control Unit, \$21,785 to enable them to purchase two vehicles for the use of fogging.

Head 37 - Public Works Department for the carrying out of road work activities determined as necessary for the remainder of 1991, for maintenance of roads \$60,000; for traffic line and signs \$30,000; vehicle maintenance and hire charges \$27,000; radios and other equipment \$27,500; and for construction of roads \$212,100. The total sum approved for Public Works was \$356,600.

Under "Other Matters", the Finance Committee also approved the Government guarantee for a loan for Cayman Water Authority a sum of \$3,012,000 for Phase I of the Authority's proposal to extend piped water supply from Spotts/Newlands to Pease Bay.

This is the Report of the Finance Committee, Madam Speaker.

MADAM SPEAKER:

Thank you.

Other Business, Private Member's Motion No. 17/91 - Deferment of Implementation Date of the Cayman Islands Health Services Authority. The First Elected Member for West Bay.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 17/91

DEFERMENT OF IMPLEMENTATION DATE OF THE CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

MR. W. McKEEVA BUSH:

Thank you, Madam Speaker.

Madam Speaker, I beg to Move Private Member's Motion No.

17/91, standing in my name, which reads:

"WHEREAS this Honourable House passed by majority a Bill to create the Cayman Islands Health Services Authority;

AND WHEREAS the implementation of this Authority considerably alters the present organisational structure and some conditions of service for the present staff in the Medical Services Department;

AND WHEREAS various staff of the Medical Services Department and private practitioners in the Cayman Islands have stated their concern to the Government and to Members of this Honourable House regarding the haste in effecting changeover, to the extent that it affects patient care;

AND WHEREAS there is a proposed new hospital to be constructed, the planning of which is taking a large amount of time of the Chief Medical Officer and other key staff of the Medical Services Department which is inhibiting proper healthcare delivery at the present facility;

BE IT THEREFORE RESOLVED THAT this Honourable House agrees that the implementation date of the Cayman Islands Health Services Authority be deferred until 1st April, 1992, so as to allow the timely settling-in of staff under the new Authority and for procedures to be properly established and the functioning of the various committees and Heads of Departments to be properly organised so as to ensure that patient care is not adversely affected."

MR. GILBERT A. McLEAN:

Madam Speaker, I wish to Second the motion.

MADAM SPEAKER:

The question before the House of Private Member's Motion No. 17/91 that this Honourable House agrees that the implementation date of the Cayman Islands Health Services Authority be deferred until 1st April, 1992.

MR. W. McKEEVA BUSH:

Madam Speaker, at the very time when Government is working overtime and trying to push through this Health Services Law, we are hearing very disturbing things about the atmosphere among Hospital staff. We are hearing that the majority and let me emphasise that, the majority of the senior staff are opposed to the way things are going and that this opposition is based on two factors.

First, it appears that while there is plenty of talk about consultation from the Member for Health, what is actually happening is that things are being rushed along and staff members are not being given enough time to make any kind of useful evaluation or make any kind of recommendations of their own.

Secondly, it is becoming clear that this concentration on the new Law, the new Authority, and the new Hospital, has resulted in a serious neglect of the present facilities.

On top of that, the dictatorial style of the Chief Medical Officer (CMO) has gotten to the point where the senior staff of the George Town Hospital have lost confidence in the CMO and morale in the institution has hit rock bottom. The only thing keeping the lid on the situation up there is the fact that these people are civil servants and cannot or are not allowed to speak out lest they be victimised and some contracts terminated.

In any other country, I believe the staff would have gone on strike but the people at the George Town Hospital, the professionals there, have been patient and have been trying to get their concerns addressed. We have been told that attempts by staff to rectify the problem have included personal approaches and letters to the Member for Health and Social Services and meeting with the CMO and with the Hospital Administrator.

One person says: "So far we have received no real response to our concerns from the Portfolio or the CMO. This Health Service thing is being rammed through. There is the impression that we are fully informed. In fact, we have not even seen the Regulations yet and we have been asking for them for more than six months." That is a staff member speaking.

Government is so obsessed with this "down-the-road" health care but what about the people who need treatment today? Lately, it is our information, the Obstetrics and Gynecology Department has been having difficulties with one doctor who has been suspended - and there seems to be no effort to remedy that, unless there has been recent relief.

The Member has said that he is putting Health Services on its head and he is shaking it. Well, he should be considering how that affects the professionals, the doctors, the nurses, and the service workers. In my opinion, it is a case of too much, too fast, in too little time. It appears that

the Portfolio does not care one iota for what the staff has to say. It seems that the Portfolio and the Member have taken the attitude that they do not want to know their concerns. Between the Portfolio and the CMO they have already decided what is going to happen.

Now people, because they are civil servants, are afraid to speak out on this matter (and by that I mean local as well as expatriates) so we do not know as much as we should know, being representatives of the people. Someone pointed out to me that if the staff is still complaining despite of being afraid of being victimised, imagine what we would hear if they could speak freely. As it is, what we are hearing is disturbing, to put it mildly. For instance, we are hearing that key figures in the Hospital are so engrossed with the new Health Plan that serious irregularities are occurring and I would cite a few at this time.

There have been instances where Government Regulations and confidential Hospital records have been bypassed and standard administrative Hospital procedure has been ignored. A state of confusion exists as to the hierarchy of proposed posts in this new Health Service with several different versions making the rounds and some Hospital employees are not sure what their position on the ladder will be.

Some staffers complain of victimisation after suggesting that more time be taken to evaluate and comment on the new Health Plan. One lady says she has never seen anything like the kind of enmity that exists now at the Hospital between the CMO and the senior staff. It seems that the CMO read the same Attila the Hun book that the Member sometimes reads because that is how he is behaving.

There is a tendency in this Government - it is not a tendency, it is more than that - it is an entrenched attitude where they refuse to listen to the people, where they take anything other than outright approval to mean you are the enemy. You see this attitude in the problems with Cayman Airways; they refuse to listen and we have seen the consequences of that. You see it in many Government departments bringing in high-priced consultants, consultants who do not know one thing about this country and the local people, the civil servants are right here who understand the problem and can suggest remedies. But they do not listen to them.

We saw it sometime back when hundreds of people marched in the street and Government did not listen. At least you have to give this Government marks for consistency. They consistently do not listen. We are seeing it again today in one of the most important areas of our health facilities in this country. Again those people, from the doctors down, who run that Hospital, Government is not listening to them.

Inside the Hospital the word is that the CMO has not even met all of the Section Heads under him and he has been on the job for just a couple of months. Outside the Hospital the CMO has the brass to tell senior civil servants, who know this country far better than he knows it, he tells them, "You all can make your suggestions about health care if you like, but this is the way it is going to be. My way and the Member's way." He has also been known to boast that they are setting up the Health Authority like the Port Authority so that they do not have to come to Finance Committee to justify their spending. That kind of mentality and that kind of attitude will only add to the problems in this country.

A hospital is not a building with equipment and beds, and a fancy ambulance parked outside, and somebody's name on a big fancy plate. A hospital is the people who run it, that is what a hospital is. It is those trained professionals who have people's lives in their hands daily; in emergencies our children's, our mothers' and fathers' lives. If those professionals are discontented, if their morale is low, if they feel frustrated then you do not have a hospital. Oh, you have the building and the equipment, and the medicine but you do not have a hospital.

Government pays these people fairly well. Government makes a big fuss about how carefully they are selected. But yet, when it comes to the field in which these people are the experts, if they dare to differ with the Member and the new CMO, they get ignored. In fact, if they differ with the Government they are branded as radicals or even yet, they get fired.

Madam Speaker, the Health Services of this country are too important to be handled like that. When you consider the number of changes being proposed in the new Health Services and the extent of the changes being proposed there, I contend we must hear what the people who are working in the profession have to say about those changes and they must be listened to regardless of the political will to do as they feel because they have the votes to do it. It is our Health Services we are talking about.

I say we should listen to them; the technocrats, the professionals. These people are saying that the Government is rushing. I say we should listen to them. The professionals are saying that this obsession with the new plan is causing the present Hospital to suffer. I say we should listen to them. The professionals are saying that staff has lost confidence in the CMO and morale is at an all time low. I say we should listen to them.

And so, the motion asks for the deferment of the implementation date of the Health Authority to put it back to April, 1992, a good time when people can evaluate without this headlong rush into unknown waters. We are dealing within the region of 300 civil servants, people who have been there 10, 15 and up to 25 years, I believe.

So far there is deep concern by the doctors and all of the other health personnel in the country for the direction in which the Member has been taking the Health Services in these Islands. So far he has managed to put a Board together and has appointed four sub-committees which are to deal with finance, personnel, and patient care. That is what I understand. There is also an Executive sub-committee. It is my opinion that the Member is himself too involved in the Authority and its sub-committees and this is where the first problems arise.

First of all, he has managed to set himself up in a Castro-style position by appointing himself as the Chairman of the Authority, after promising people that he would not be the

Chairman. Then he adds insult to injury by again setting himself up as Chairman of at least two of the sub-committees, the Executive Committee and the Patient Care Committee. To further compound an already sick situation he has set up the whole scheme where he can sit on any one of the committees and vote and yet, not be a member. This is wrong. Wrong, wrong, wrong.

As far as the Patient Care and Quality Committee is concerned, I would have thought someone more qualified and competent in patient care would have been selected by the Member. This ridiculousness is highlighted by the fact that this Committee shall report through its Chairman, that is the Member for Health, to each meeting of the Authority of which the Member for Health is the Chairman. How ridiculous can it be?

So we have the situation where the Chairman of the sub-committee is reporting to himself; dictatorial is it not? It would be most humorous if it was not so serious a matter. He has set himself up to be able to vote on any sub-committee which as I said, will deal with staff matters, financial matters, and patient care. I see serious anomalies here because the Member is an Elected Member and here he will have to be dealing with recruitment and compensation matters somewhere down the line. He is an Elected Member yet, he will be involved, if he votes, with finance, accounting, investment, and insurance matters. These are just a few areas wherein the Member has set himself up as know-it-all, be-it-all and do-it-all.

Now when one speaks of appealing from Caesar to Caesar, I quote what one of the Members told me. "One will now have to speak of appealing from Ezzard to Ezzard." Madam Speaker, it is very evident that what the whole matter needs is sufficient thought and planning and this has not gone into the whole issue.

From day one the Member has been doing as he feels. They are there, it is not yet an Authority and they are already there taking things into their hands as if it was an Authority. Madam Speaker, this country is headed for serious problems, for serious trouble. We are headed for serious problems. What we are witnessing today is the ship of Health Care like a Mark II Titanic steering full steam ahead for the iceberg while the Captain draws encouragement from a flourishing trade in leaky lifeboats.

Sufficient thought and planning has to go into the whole framework. Time must be given for this. Planning must start with the consideration of available resources because a plan which is not realistic creates a mal-administration or a mal-distribution of resources and we have many examples in this region of countries peppered with the graveyards of over ambitious plans. There are many hospitals built by the instigation of over-zealous politicians looking for votes and contracts but never staffed up to the plan complement and facilities go unused.

The region is peppered with those kinds of mistakes. No health plan is realistic unless it is feasible in terms of the availability of manpower and if doctors are going to be treated in a situation where they can not be assured of a decent income, you tell me what kind of professionals we are going to get in this country? If they are going to be pushed, let me say this, we have not come yet to the place where we have our own complement of professional doctors, or doctors, we have to depend on outside sources and if the situation is going to be created in this country where those people are not treated right; advantage is taken of them because they are on contracts and they are kicked here, there and everywhere, do you believe, do Members of this House believe that we are going to get the kind of professional doctors that we need? No, we will get horse doctors, people that cannot go anywhere else. What we want is the professional doctor, the good doctor. And I say, that we must treat these people better, they must be assured of where they stand in this country and the Member for Health must stay out of Civil Service matters.

It is an abrogation, it is an intrusion of the constitutional rights of Contract Officers, locals and expatriates! He is ultra vires the Constitution and it is time that this thing be stopped in this country because the Civil Service is going down in morale. And, these are the people that want the Civil Service Commission in their hands.

I say to the world, I am after investigating what is going on at that Hospital today, I am going to take a hard look at the Constitutional provisions that I know are coming forward because no one is safe with that kind of mentality and I am not going to stand by and see good people downtrodden, whether they are expatriates or whether they are Caymanians. I represent everybody and my duty, when it comes to the Health Service, is to see that people employed there can work in contentment without the fear of some "baboon" pushing them around. It is time that this stops.

The waste of overlapping and duplicated services cannot be afforded in these Islands. The public sector of this country can only afford one Hospital. That is why there needs to be better costing of the present proposals. Proper planning is necessary to restrict and alleviate the provision of excessive, unnecessary and ineffective bureaucracy and services.

MADAM SPEAKER: Honourable Member, I have taken some time in thinking over what you have said referring to "baboon". I need to find out if you were referring to any Member as being a "baboon"? If so, it is unacceptable and I would ask you to withdraw it.

MR. W. McKEEVA BUSH: Madam Speaker, if I was going to refer to any Member of this Honourable House, I hope you have known me long enough that I would have said it and let you call me to Order. I never called him a "baboon". I said "baboons" are attacking certain doctors, that was the generality of my phrase.

MADAM SPEAKER: Then I am afraid it was not very clear and if you were not referring to a Member would you explicitly say so now.

MR. W. McKEEVA BUSH: I just said so, Madam Speaker.

MADAM SPEAKER:

Okay.

MR. W. McKEEVA BUSH:

And I think you are putting me under duress if you ask me to carry on further. I think I take your ruling and I bow to your ruling, but I think I have cleared up what I had to say. We are dealing with a serious matter in this country which cannot get to the press unless it comes to this House because Executive Council and the Member responsible have put pressure. Our Health Services are in an uproar and it is time that we do something about it.

I wonder whether proper planning has been thought about in the general scheme of things in the Member's plans?

Certainly we have seen an inflation of costs in the amount of consultants, new ones, old ones and by other motions brought to this House. We are getting to the point that it is ridiculous and I feel helpless about it because we cannot get any help to stop some of things that the professionals say need to be stopped.

Spending more money on Health Services does not necessarily generate better health for the country as a whole. The problems we are experiencing and the need for this motion demonstrates that is not what is happening.

The people working at the present facility are very concerned, even distraught, that the Member's rush with his plans, compounded by the fact that the plans are unworkable to a large degree, will destroy available resources and damage the goodwill which exists in the Health Services.

It seems to me what is desired is that effective services are provided at the lowest cost, consistent with acceptable standards of care. The professionals and technocrats at the George Town Hospital and those otherwise, are well aware that this cannot be achieved without proper planning and a reasonable time frame for consultation before implementation. The key, if they had a reasonable person to deal with, could be in co-ordination and co-operation between the health professionals and the skilled managers in Health Services but the Member would have to come down from his high horse and deal sensibly with them.

I do not support the Health Authority but I know that I cannot do anything about it. It has been passed but I think this is the right route to take because of the frustration and all the other things that are happening up there that people are dissatisfied with but can do nothing about.

You will hear, Madam Speaker, I guess, that old tired cliché about politics but I am satisfied that I am doing the right thing here today. The professionals want it, maybe the Member does not want it. Let us see what will happen.

Thank you, Madam Speaker.

MADAM SPEAKER:

The Member for Health and Social Services.

HON. D. EZZARD MILLER:

Thank you, Madam Speaker.

Madam Speaker, I rise to oppose this ridiculous motion before the Assembly.

It is a known fact that the Mover of this motion has opposed the Health Authority from day one. The records in the Hansards will show that he voted against the Bill in June, so hearing his opposition to the introduction of the Health Authority is nothing new on my part. But I will not attribute his contribution to the debate today to politics, I would rather call him a rented agitator because once again he is being used, unbeknownst to himself, to publicly represent a few disgruntled employees who resist change.

Let me hasten to add that that resistance to change is no surprise on my part. That is to be expected. People in all walks of life are very comfortable with the status quo. There always will be concerns about change. We expect those concerns. We must deal with those concerns, as is being done and as has been done in this situation because the Member himself has driven the final nail into the coffin of his argument, so to speak when one minute he is saying that the CMO is dictatorial and that I have set myself up as a Castro-operator but on the other hand he admits that there are several forms of an organisational chart being considered by the staff before it is finalised.

Now how else am I or the CMO to get information and input from the staff but to ask for it? But what happens when we ask them for information? They disagree with some of the proposals; that is to be accepted. In any situation that an organisational chart is developed for any company whether private or public, there are going to be those individuals who disagree with it.

They made their representations. Their representations were considered. They may not have gotten their wish granted so what do they do? They pick up the phone and they rent their agitator to come here to Parliament and postulate that they have no opportunity for input. Totally unfounded, as I intend to demonstrate before I sit down because, I will deal with each one of his "Whereases" in turn but there is not one single Whereas in that motion that has any foundation in fact. Not one!

Now let us deal with the second Whereas. "AND WHEREAS the implementation of this Authority considerably alters the present organisational structure and some conditions of service for the present staff in the Medical Services Department;". There is no alteration to the present organisational structure that exists within the Hospital as detailed in the 1974 Health Services Law which was repealed by the passing of the Health Services Authority Law which comes into effect in January. All that we have done with the Health Services Authority is to put a management system above that tier that exists, changed the title of one function within the organisation, that of a CMO to a Medical Director, and put on top of the existing organisational chart a management structure to replace what currently exists in Centralised Government.

Presently, project function is done by the Public Works Department. We have replaced that with a Project Director on a short term consultancy basis. For each individual

project that we might have to do in the future the individual may vary using the existing organisational structure under that, that exists in the Health Authority to monitor the project. Presently, the human resources function is performed by the Department of Personnel, the Public Service Commission and we have replaced that by a Director of Human Resources, again, supported by the existing organisational structure within the Department.

Presently, the financial function other than what is being done by the organisation now, banking, cheque writing, etcetera, is done by Centralised Treasury. We have replaced that person with a Director of Finance or using the support services that exist to perform the functions that they do now in addition to the functions which Treasury now performs. We have a Planning Director. Again, this will be on a short term basis to assist with planning within the organisation using the existing organisational structure and the human resources in place to do it.

We have instituted a Board responsible for the management of the Health Services and we have put in a Chief Executive Officer of the Board who implements the Board's policies and monitors their implementation through the existing organisational structure. Now, you show me where that creates any dictatorial system.

As for his claim that conditions of service of staff of the Medical Services Department is changing; totally unfounded. The Health Services Law said they are seconded and they are treated as civil servants on secondment.

Their conditions remain exactly the same. The paycheck they get January is going to be the exact amount they would have gotten had they been paid by Treasury. The amount of leave that they get is going to be the exact same. Their pension payments will be made to Treasury so that that will continue. The disciplinary procedure will all be there. The conditions of employment are not changing.

A proposal was made a year and a half ago with the Personnel Department to consider changing the doctors and putting them on a sessional basis to improve productivity to be able to release them to earn more income if they so desired by working in the private sector and to have more contractual control over their time at the Hospital.

I am not worried, as the Member moving the motion seems to be, that we are going to wind up with horse doctors; to the contrary. We are going to be able to attract a better quality doctor. I do not know which doctors he knows around here that are horse doctors, but I do not know anyone other than Jackman and a couple of other veterinary people around and they do not work at the Hospital. The veterinary doctors are the ones that work on horses, they are the horse doctors, they do not work at the Hospital.

But that is the kind of thanks he gives the medical staff for coming to him to use him as agitator. How sad.

MR. W. McKEEVA BUSH:

(Inaudible interjection)

HON. D. EZZARD MILLER:

Madam Speaker, what I have to say, I have never spoken in fear in this House. He can get up and rant and call Ezzard any kind of name that he feels like, as he does on a regular basis. That does not take any sweat off of my back nor any food off of my table. The people will judge me by what I am and who I am and he cannot change that with all of his inundations and false accusations that he lays in this Parliament under cloak of immunity. So he can speak five times after me. It does not bother me.

He can get up and talk about speaking the truth. Madam Speaker, the mere fact that you have to beg the people to believe that what you are saying is the truth questions the accuracy of what you are saying to start with. People can believe what I am saying to them or they can reject it. I do not have to beg them to believe that it is truth because it is the fact and the records will show this. I have no fear of this!

As for the third Whereas where he claims that the reason for this is regarding the haste, what a joke! The creation of a Health Authority and a Board of Management has been talked about for at least a decade. The Government took the decision in January, 1990, to put one in place as policy. It is being implemented in January, 1992, two years later and you are going to get up here and talk about it being done in haste!

As for his claim that the changeover is going to affect patient care, it will affect patient care but not in the way that he thinks, not negatively. It is going to affect it positively because there is going to be the opportunity for greater job satisfaction by the professionals and they are not going to have to deal with 15 years of layers of bureaucracy and it taking six to nine to 12 months to get a decision.

Now there are, in any organisation, bar none, those people who have reason to be concerned about decisions forthcoming and not taking a year and not being done by some headless body in some other region of the country. But they do not have to fear that because we know that they are not performing up to scratch but we are going to give them the opportunity to improve their performance to come up to standard. We are going to provide them with educational opportunities to improve their skills. So they have nothing to fear about that.

Now his solution of socialised medicine and no one being responsible for anything and having simply the Treasury behind them, it does not provide any of that because the single-most item of discontent, if any exists within the Hospital, is that long process of getting decisions made. The staff have had ample opportunity for input. My first official visit to the Hospital in November, 1988, after touring the Hospital with the senior staff, the CMO, the Hospital Administrator and the Chief Nursing Officer at that time, we sat down and we had a Management Committee meeting. At that time they had been struggling for at least five years to draft a Health Plan for this country. But what were they being asked to do up to that point? They were being asked to carry their full clinical management load, to carry their full supervisory role within the Hospital and develop

a Health Plan to which they had no specific expertise, in their spare time. Totally impossible!

If there is a de-motivating factor, what greater one exists than being asked to do something for which you do not have the inherent skills, you are not provided with the guidance, the technical help to do it and you are asked to do it in your spare time?

I told them then that we would hire properly qualified consultants, barred money-wise on a specific fee and a specific time frame to work with them to develop the Health Plan. That is what I did. We recruited the consultants in January and on the very day that we signed the contract, the consultants and I met with all senior staff within that Hospital and many junior staff in the Conference Room and I explained in the greatest detail how we were going to do the Health Plan. We provided ample and specific opportunity for participation of all. Every time the consultants were coming to the Island they had to tell me in a minimum of half day periods broken up into hours, who at the Hospital they were going to see, who in the community they were going to speak with and they had to give me a report on who they spoke with on the trip before that. This is all documented evidence in my Portfolio and has been reviewed and reviewed, time and time again by his good friend the Auditor General and he cannot find anything wrong, and he is not man enough to say so.

I told him at the conclusion of that meeting. I was begging them to take part in the process because the Plan was going to be done. "Do not come to me," were the specific words that I used. "Do not come to me in January, 1992, and tell me that you did not take part in the Plan because the opportunity is there."

Madam Speaker, everything was going fine as long as International Healthcare Corporation (IHC) was dealing in concepts, a National Health Plan, they were the greatest thing that ever happened to this Island. The day that I signed the contract with them to do ten interim projects with specific objectives to improve specific departments, the concerns started. And they went to their rented agitator and he has been agitating about IHC ever since. With all of their accusations, he could not say anything that he said here publicly and he cannot prove anything that he said in here, that any wrong was done because every contract was completed on time, on budget and the product was produced.

Now anybody can differ and argue with the product. I have no problem with that. Every person in this country is entitled to their own opinion about the Health Plan. That is why we took it to the public. I do not expect 100 per cent agreement from the professionals. It would never happen because people are very comfortable in whatever way they are performing their specific function and any time that you talk about changing that, in particular where you are trying to introduce quality control and accountability you are going to have problems. I expect that. I will deal with the problems. But if every time you tried to put quality control on professionals and you worry about them going out and talking to the press or renting their agitator, nothing will ever be introduced.

I am neither telling you that my opinion is perfect or right but I am man enough to take the responsibility that I have been given, to use my authority to make a decision that I feel is right on the advice of the relevant professionals that I consultant, and put it in place. If I am wrong, I am also man enough to say that I was wrong and we will try it again.

I challenge them to prove me wrong in the changes and the recruitment policy for doctors at the Hospital where when I went there they were recruiting strictly family practitioners for casualty and I told them when I looked at the list and saw that you had Board Certified Surgeons, Board Certified MRCPs, Obstetricians and Gynecologists applying, you must hire them. That is why we wound up with five fully Board Certified Physicians for the Hospital for the same price that we were getting regular MDs.

I challenge them to prove me wrong in the recruitment of a properly qualified Pathologist or a Radiologist and placing them in that institution to help with quality control.

I challenge them to prove me and my Portfolio, and the technical staff at the Hospital who support it because there are those that do not, but that is an accepted fact and I do not deny that, with the contractual relationship with the Cleveland Clinic for Tertiary Care in this country.

He talks about improper? He is cutting grass, and coming in here and telling me that I am delivering improper patient care at the Hospital?

MR. W. McKEEVA BUSH: I cut grass good, though!

HON. D. EZZARD MILLER: In your opinion, not mine.

MR. ROY BODDEN: You of failed promises.

HON. D. EZZARD MILLER: I did not fail half as much as you failed in education. I ran a successful private pharmacy and I sold it for profit...

MADAM SPEAKER: Please, address your remarks to the Chair, Honourable Member.

HON. D. EZZARD MILLER: I am doing that, Madam Speaker but I am being interrupted by them talking to me not to you.

MR. W. McKEEVA BUSH: You have to be as good a grass cutter or they will move you out of here!

HON. D. EZZARD MILLER:

Madam Speaker, as for the third Whereas where he talks about the proposed new Hospital to be constructed, the planning of which is taking a large amount of time of the Chief Medical Officer and other key staff of the Medical Services Department which is inhibiting, according to him, proper health care delivery at the present facility, let us look at the ridiculousness of that statement.

What is the planning process for the new Hospital? Remember now that his greatest charge is that I am not consulting anybody. The CMO and I are operating in a dictatorial fashion and we are not consulting anybody. But on the other hand if we involved them, we are wasting their time. There is no factual basis for that statement.

This is how the Hospital is being planned: We have a Client Committee that consists of myself, the Principal Secretary and the CMO which meets every Monday afternoon with the consultants to discuss what their input was the week before and how we are going to use it in the Plan. We have a Core Planning Committee which is made up (and these are the people that I do not mean the CMO does not consult), Dr. Martin-Smith, CMO; Dr. Jha; Dr. Kumar; The Chief Nursing Officer, Eloise Reid; the Hospital Administrator Mervyn Conolly; the Hospital Maintenance Supervisor, J. Carter; the Hospital Accountant, B. Whitehall; and the Short-Term Project Consultant, Hercules Weerasekera. They meet once a week at 8:00 a.m. in the morning.

Now, a hospital is a complex environment. It is made up of many differing levels of professional care. It is made up of many differing desires as to how they feel their particular department should be placed in the Hospital, how much space it should occupy relative to what service they are giving to the patient. So we have to involve the technical people, so we set up 15 Facility Planning Committees which meet for one hour, twice a week, every other week. Just to give you two examples of the diversity of people placed on these Facility Committees, I am going to read the members of two committees.

The Facility Planning Committee for the Medical, Surgical and Secure Care part of the Hospital: Dr. Rogers; Dr. Mangatal; Dr. Jha, who represents the Core Planning Committee; Dr. Efford; Dr. Vivek; Dr. Lahee; L. Walton, J. Elliott, C. Bristow, A. Morris, T. Ranson, E. Reid, all senior nurses; Dr. Kumar, the Medical Officer for Health; and the Project Planner, Hercules Weerasekera.

But then he gets up in here and chastises me because we are not consulting people. The Intensive Care and Dialysis Unit: Dr. Rogers; Dr. Efford; Dr. Mangatal; Dr. Gerald Smith; Dr. Vivek; B. Miller, N. Daniels, L. Walton, M. Notley, J. Carter, H. Weerasekera and E. Reid. And that is just two.

We have similar committees for Obstetrics, Gynecology and Pediatrics; Administrative Services which includes the Business Office, Accounts, Personnel, Hospital Management, Security, Operating Room and CSR; Materials Management including Central Sterile Room, Linen, Laundry and Housekeeping; Pharmacy, Trauma, Emergency and Ambulance; Patient Hold and Processing Registration; Plant Operations and Biomedical; Physiotherapy; Central Diagnostics, Dietary, Morgue, Library, Education, and On-Call.

Now can the public really accept the Member's charge, one, and two, that there is no proper planning - I can accept that coming from him because he does not know what proper planning is - thirdly, that occupying this diversity of staff on these Facility Committees one hour per day, two days, every other week, is eliminating them from delivering proper health care to the patients? Look at the diversity of people in them. No single department is shut down to give this input. There are members from various departments in the Hospital that make up the committees.

I soundly refute his charge in that Whereas, that proper health care delivery is not being done at the present site. That is an insult to the professionals who rent him as an agitator, much less to those who will have nothing to do with him and who support what we are doing. Madam Speaker, I am confident that proper health care is being delivered at the present Hospital site given the constraints of financial, plant and human resources within which those professionals are forced to operate presently. I challenge them to document otherwise.

On the one hand he is complaining that we are not consulting anybody. On the other hand he is complaining that we are consulting them so much that they cannot carry out their patient care. As for his charge that the Hospital staff are not being consulted because that is where it started, that I am telling people that we are consulting them but that is not so we are really not consulting them. There is no foundation to that. However, I do not operate, you see, as people like him would operate as Chairman of a Board.

As Chairman of the Board, I accept and work only on the authority given me by the Board itself. But you see, when you have within an institution those people who will go to any length to cover up what incompetence, if any exists, their fears of quality control, their fears of peer review, their fears of medical audit, their fears of a decision making management system put in place which can victimise no one.

The Personnel Manual being prepared for the Health Services Authority must match the existing Government General Orders, it must match the existing Public Service Regulations and it must comply with the Labour Law because the people are being seconded to the Health Authority.

Things like the Personnel Manual cannot be prepared and distributed before one. You get the person in post to do it. We have that. The person has been appointed and will start work Monday next. And by 1st January or before, we will have compiled a proper Personnel Manual which deals with policy, procedures, process which is accepted by the Personnel Department, the Public Service Commission and ultimately by the Governor who is seconding these people to the Health Services Authority.

Included in that manual which will be open to every member of staff because his immediate supervisor will have one, will be what does not exist today, proper job descriptions for every single post that is on the payroll of the Hospital. The person will know who their supervisor is, they will know

what their salary scale is, they will know what the object of their job is and they will know what the specific duty of the job is. In addition, they will know how they are going to be evaluated and what the measurements are going to be on the performance of that job.

Now, without those things one can neither have job security, nor job satisfaction because if you do not know what you are supposed to do, if you do not know who you are supposed to report to, and if you do not know what your judgements are going to be, they can make anything up on you.

Some of those people that are renting him as an agitator, that is the way they operate. Their greatest fear of change is going to be that policies, processes and procedures are going to be put down in black and white and it is going to be accessible to their staff.

That, from where I sit, is proper management. Not these ad hoc decision making processes.

MADAM SPEAKER:

The House will be suspended for 15 minutes.

Would this be an opportune time to suspend for 15 minutes?

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

HOUSE RESUMED AT 11:59 A.M.

MADAM SPEAKER:

Member for Health continuing the debate.

Please be seated. Proceedings are resumed. The Honourable

HON. D. EZZARD MILLER:

Madam Speaker, to deal more specifically with some of the accusations hurled at me, the Portfolio and the CMO by the First Elected Member for West Bay, he claims that morale has reached rock bottom. He is entitled to that opinion. I do not agree with him. But the interesting thing is that in the same breath he goes on to say that the only thing keeping the lid on the situation is the fact that they fear victimisation if they talk to the press.

Now if that is a true statement, which it is not, those people who talk to him must be trembling in their boots because he has certainly tried to lift the lid off of the situation but the truth of the matter is, there is no situation for him to lift the lid off of. There is no department in Government that has any more freedom to criticise the Member than the Health Services Department. And they do it free and wide.

He says anywhere else they would go on strike. If they feel they have a reason to take industrial action, take it. As for the press, the press was in my office on Tuesday having talked to people at the Hospital and I expect it to be in the paper when it comes out today. I have no fear of that. I can defend the actions taken by my Portfolio, the CMO and the Government in the implementation of the Health Plan.

I hope that when the public hears the kind of staff that we have, who go out and rent their agitator, that I have to deal with, they will understand how difficult it is in some minor instances to improve quality health care in that institution. I have no fear of defending the Government's policies and any directives my Principal Secretary has given to the CEO or the Department. I hope they can defend their accusations being made.

As for them having access to me, he said that they have written memos to me, that they have made personal representations to me, that is true. I have not refused to listen, to discuss health policy with any member of that staff who wishes to do so. Now what I will not allow them to do is to practice their long and cultured craft of divide and conquer because that is going to adversely affect the health care given to the people of this country and my responsibility is not, as he intimated, to individual doctor's pocketbooks but to the people of this country and the quality of health care that is delivered to them by the health professionals.

As an example, just one example. I invited the Executive, because he claimed that there are all of these practitioners in the country that are opposed to what I am doing, I invited the Executive of the Cayman Islands Medical and Dental Society to discuss the proposed legislation for national health insurance.

I made the presentation that we made to every other group. I asked them to not do what they did with the Pharmacy Law when I sent them that in draft to review - mail it to an attorney and ask for legal comment - but to comment on the principles of the Law, whether they made sense, whether they could live with them, etcetera.

They went off and I got a letter back a week and half later saying the legislation has so many faults, it should be withdrawn. It never identified one, single fault. I wrote them back a letter thanking them for their representation. That letter is going to be presented to the committee that is looking at the legislation when it meets next.

Now they decided they wanted to change the meeting giving no notice, to discuss health policy and health facilities. I had a commitment at 7:00 p.m. that night but I agreed to sit and talk with them. Then they turned to me and told me that the CMO had to leave the room. I told them that I was sorry, he is my advisor and if I stay in the meeting, he stays in the meeting. See, divide and conquer.

We argued with them about the health facilities, discussed it with them for about an hour. Then they finally turned to me and said, "Well how are you going to do all of these things before you build a new Hospital?" I said, "But gentlemen, I came to your annual meeting in February, 1990 and told you that this was a 15 year plan. I came to your meeting in January, 1989, and presented the consultants, told you how we were going to prepare the plan, asked you to take part in the preparation of the 15 year plan."

They looked at me and said, oh, they have never heard that before. But since it is a 15 year plan they have no problem with it, everything is fine. They thought it was going to be all invented overnight. But they are the people who now have no access to Ezzard Miller.

If I want my toenails out, I will go to the surgeon to get them out. If I want a hospital design and plan, I do not ask the surgeon to design and plan the hospital, I create the opportunity for him to have the input, through the Facilities Committee, there are private physicians on those Facilities Committees, in his speciality. The design is being done by an architect based on input from a Medical Planner.

Madam Speaker, he said that the staff had not seen the Regulations. I will agree to that. There are no Regulations at the present time. And the only Regulations prepared and ready for presentation to Executive Council, which I got about a week and a half ago, are existing Regulations as to fees under the present Health Services Law, 1974.

The only other rules, made under section 25 of the Law, were not made by the Member on the Board and that is a Medical Staff Association rule. They were made by the medical staff themselves, following tried, practiced and working systems all over the world. They developed them and presented them to me. I looked at them. They made sense. They concurred and complied with what I know is standard in industry and the Board will adopt them as rules under section 25 when the Board is legally constituted in January. But they will not put it off until April. How ludicrous! But they are trying to help the health care.

Nothing in this situation is being rammed through but it is known far and wide that when Ezzard Miller asks you to do something, he tells you the time frame in which he wants it done. There are no open-ended requests from me.

The Member referred to what are unfortunate allegations against a practising physician. To the best of my knowledge, up to this point in time, there are allegations which are still being investigated by the police.

MR. W. McKEEVA BUSH: On a Point of Order, Madam Speaker, if the Member checks the record, I did not mention anything about police with any practitioner.

MADAM SPEAKER: Honourable Member, that is not a Point of Order, it is probably a Point of Clarification but not a Point of Order, please.

MR. W. McKEEVA BUSH: Well, Madam Speaker, I will take your ruling for it but I thought it would be under Standing Order 34.

MADAM SPEAKER: Honourable Member, would you continue.

HON. D. EZZARD MILLER: Madam Speaker, I did not say that the Member had used the word "allegations", I said that he referred to a matter and he talked about the Obstetrics and Gynecology Clinic at the Hospital. Of course, he talks so much rubbish that it was kind of hard to keep up with him but he said that. He talked about people needing treatment today and not getting it and the Clinic was not covered.

Now, I am saying that there were allegations made about a physician in a particular specialty and the management of the institution thought it best at the time in the interest of the professionals and the public to remove him from that particular clinic. But there has been no lack of coverage and understand that this was not an event that was planned. We got the help on locum of the relevant specialist from Cayman Medical Centre. We brought the lady specialist from Cayman Brac over for a period of time and we have a full time locum out of Canada now. Nobody was denied or got any poorer quality treatment as he tried to make the public believe.

How it affects the staff? There are certain staff members up there that unless they are able to go to people like him with the whole story is bad management. They have no regard for confidentiality. He says that the Portfolio and the Member do not care for the staff and we are taking the attitude that we know the concerns but we are going ahead. That is not so. We are very concerned about the staff and we are taking steps and have taken steps in the past to alleviate and to attend to the concerns of the staff.

I wonder if he has done them a favour today with all that he has had to say about them not offering proper care and the way that he has used what they told him?

It is interesting and it is unfortunate that matters put before the first meeting of the Board were distributed among the staff before the Board could study them and decide on them. The organisational part of it, we authorised the CEO to discuss the job descriptions of the top people with the people concerned but the next day staff members had the whole document that we presented to the Board. That is only being used like that to try and make strife amongst the staff. He talks about them being afraid to speak out? They certainly talk to him a lot and they ought to know from past experience how he gets up here and identifies them.

Madam Speaker, just out of interest to the listening public, since he claims the Portfolio and the CEO and the Board are not concerned about the staff, I would like to read to this Honourable House, and I will table a copy of it after I have read it, a letter which the Board authorised me to issue after its first meeting on 26th September. I could not issue this as Chairman unless the Board had authorised it.

You see, unlike the charges by that Member when he tries to make me into a dictator, the Hospital staff know that they have never had a Member that believes and demonstrates and conducts the affairs of the Hospital with as much participatory management as Ezzard Miller. And he is talking about what the Health Authority is going to do that is so terrible to the physicians. Madam Speaker, for the first

time in the history of this country the physicians will have a direct mechanism for input into health policy in this country and that is through their Medical Staff President who sits on the Board. They have never had access in the past.

In the past, the only person who had any access to that was that old colonial body, the CMO. And it is time to de-bunk those cherished myths and put proper modern-day management in place and get rid of this system where you have a god and the only person who can talk to him is the Chief Nursing Officer, who happens to be the Virgin Mary and running the health care system like the Catholic religion. I have no problem with the Catholic religion, do not misunderstand me. No aspersions are intended but that is the British colonial medical administration system that they have left in every country in the world.

All that we are saying is that we have divided, nothing is being done to the CNO. Her duties are being divided because some are in an advisory capacity and some are in a managerial capacity and those of the managerial capacity are reflected in the job description of the Nursing Director. Those of the advisory capacity are in those of the Chief Nursing Officer in the terms of advice and policy and the control of the nursing profession. And because of the smallness of our system, we have one person doing both functions.

We have taken the clinical medical supervision part of the CMO post and called it Medical Director. We have taken the administrative side and confirmed what the 1974 Health Services Law tried to do in the definition of the job description in the Schedule of the Hospital Administrator but it all had to be done through the CMO and put in place a Chief Executive Officer for the Board.

Now, Madam Speaker, this is what the letter from the Board says:

"At the first meeting of the Health Services Authority Board held on September 26, 1991 the Board issued the following statement.

In an effort to arrest and alleviate any misconceptions surrounding the job security of present healthcare workers, the Board wishes to offer assurance that the present terms of employment for all staff members will remain intact after January 1, 1992.

In view of this, all existing contracts with the Government will be honoured by the Health Services Authority.

All civil servants who are members of the Permanent and Pensionable Establishment, will continue to receive all benefits and considerations afforded to them by the Civil Service. These include salary, leave and pension entitlements, for example the Authority will continue to make the necessary contributions to the government pension account via the Treasury Department.

The purpose of the Health Services Authority is to introduce a more accountable style of management which will offer better job satisfaction, better working environments, and job security. To achieve these goals we must enter into a partnership based on mutual respect and understanding, with a shared commitment to providing the highest standard of Health Care for the community we serve.

In the weeks to follow a detailed packet will be made available to every staff member, outlining the goals, objectives and expectations of the Health Service Authority."

That is being fulfilled tomorrow. That detailed packet is going to each supervisor and his staff and we are going to sit down and discuss it.

"The Board of the Health Services Authority would like to express its appreciation to all the dedicated and hard working staff within the Health Services, and look forward to a good working relationship, with you."

That was distributed to every staff member. That was solicited by the Chairman, who has no interest in the staff. If I had in my hand a copy of the document that has been produced, I would table that as well, but I do not happen to have copies of that here.

These things cannot be done until the Board was administratively appointed. It cannot be statutorily appointed until January and it could take some decisions on these things and we could get the people in place to put the manuals, the processes and procedures in place.

You are going to tell me now that it is better to defer the implementation until April so there will be another four months of uncertainty amongst the staff? No, that is of no help to the staff. The staff needs to be in a position to be told by the Board as early as possible what the situation is. This has nothing to do with the staff. The inherent basis of this motion is their objection to the Health Authority. They are just using the staff.

Madam Speaker, I agree entirely. The Hospital is the people who run it. In my short tenure I have made every possible endeavour to encourage the staff and to put better staff and particularly overseas contracted people in place during my tenure to improve the standard. As I said, I challenge them to prove otherwise.

The deep concern that he talks about - Madam Speaker, the

doctors in the country have some concerns. Like everybody else in the world we have good doctors and some not so good doctors. Now I have told them that I am going to amend the Health Practitioners Law to bring in continued education on an annual basis as a requirement for renewed registration. That is going to improve the quality of medical care in this country but there are some of them who do not want it. I can understand why. They are resistant to change. I have told them that the Law is going to require regular physicals and they are going to vary and be increased according to age increases. They have reasons to fear that?

I have a responsibility to quality health care for the people that I represent and it is not only going to be the doctors who are going to have to demonstrate that continued education, that is going to be across the board, paraprofessionals and everybody else.

I have told them we are going to introduce pay review and medical audit. They should have nothing to fear from that because it is not going to be introduced in a punitive or a witch-hunt method. It is going to be introduced in a way that is more of an educational tool to raise the standard of health care. We no longer conduct the grand rounds at the Hospital and in the corridor in front of all of the patients. That is in a closed session with the physicians and we are trying to turn it into an educational environment for them. All are efforts to improve the quality of care because the patients were tired of hearing them talking about them in the corridors and so was I.

Now the Member talked about baboons and I was quite pleased to hear that he was not talking about me but I believe that what he said was something to the effect that they are being pushed around by baboons. I assume that he was talking about the staff at the Hospital being pushed around by some baboons. I know of no baboons around. All that I have to say to him is birds of a feather flock together.

Now last week we heard all kinds of criticism of the Member for Tourism for using local consultants and what we need is more consultants in Cayman Airways. Now today they chastise me for using consultants. No consistency. The only thing that is consistent from him is political expediency and it does not matter who he has to attack personally or otherwise, or try to intimidate for that matter.

Madam Speaker, it was not my desire to be Chairman of the Health Authority but Executive Council told me that they support the Law but I had to be Chairman for a while to make sure that it was on the right track. I have the person that is going to be the Chairman already on the Board and being groomed for the job. It is his friend the Auditor General who chastises me in his reports for not being Chairman of the HDC.

You see even he has a copy of the Board documents because some of the information he might have gotten from the press articles, some of the information that he used today was not in the press articles. I have nothing to hide in that but you have to wonder what is the real objective of the staff who are distributing Board documents before the Board has finalised them. Is it simply an effort to try to stop the Board from being able to function?

The most telling sentence of all was when he said that the people cannot get this thing to the press unless it comes to the floor of the Assembly. See what the objective is? It has nothing to do with a concern for the staff or a concern for the quality of care to the patient. False accusations about improper health care and using it for political advantage to try to stop the implementation of the Health Authority.

Madam Speaker, they praised the operation of the Port Authority a couple of days ago on the Board. All that we are trying to do in the Health Authority is to give the health care system the exact same opportunity to have in place more cost-effective, more cost-efficient and a management system that provides better job security and better job satisfaction for the health professionals in the Department.

This motion which calls for the implementation date of the Health Authority to be deferred from the 1st January, 1992 until 1st April, 1992, can only have a negative effect on the staff if it is passed. That is the underlying object so that they can come back here in the Throne Speech in March and criticise me for not running the place properly.

The Portfolio nor the Government has a magic wand to wave on the 1st of January to start this implementation to all be done overnight.

As spokesperson for the Government on this issue I have announced widely that the implementation period for the Health Authority is the year 1992. That is why the Government is funding it fully from Central Budget in the year 1992. And the object is that by January, 1993, we will have all of the systems in place and it can start to reduce the Government's commitment to the Health Authority budget by \$2 million a year thereafter. So what is the point of taking three months out of that implementation process and then accuse us of rushing it? That makes no sense. If anything is going to cause you to rush it in order to comply with the Government financial closing of their year 31st December, 1992, it would be if you took that three months out of the implementation stage.

For those reasons I cannot support this motion. I have never told anyone that the implementation of the Health Authority was going to be a cake-walk. I have never told anyone that there were not going to be concerns amongst staff, that they were not going to be disgruntled. The Board is going to need the full 12 months of 1992 to overcome all of those obstacles and to get the thing fully implemented by 31st December, 1992.

Thank you.

MADAM SPEAKER:
Cayman.

The Second Elected Member for Cayman Brac and Little

MR. GILBERT A. McLEAN:

Thank you, Madam Speaker.

As the Seconder of this motion needless to say, I support its contents and unlike what the Member for Health has attempted to show that bringing this motion is largely politically motivated or to create a problem within the Health Services, my support for this motion is based on what I have learned is presently happening in the Medical Services at the Hospital.

Madam Speaker, in speaking to this motion I would like to refer to some of the points raised by the Member for Health. First of all I agree that where and when change comes about there are always those persons who will be resistant to it because there is always certain comfort in living with what you know. However, in this case from the information which I have gleaned over the past few weeks and from persons associated with Medical Health Services at the Hospital and some private practitioners, I firmly believe that there is more worrying them than just the change to a new system.

Madam Speaker, I am in no position to refute what the Member has said that there have been representations made by the staff which have been addressed. Some of them I imagine, have been addressed or could have been addressed, but certainly there are many that I have heard about that have not been addressed.

I am not talking about, for one moment, line staff or clerical staff. I am talking about staff who are at supervisory level. I am talking about doctors, nurses, and various technical persons. They are concerned and worried about what is happening there not because of the change which is being proposed and which is being attempted to be implemented. It is about how the general process and routine is being altered within the organisation and how it is affecting the delivery of health care is in these Islands. I totally disagree that there are no organisational structural changes as has been stated in the recital in this motion. There have been changes. It is not a matter of saying that a system has changed.

Call it what you will, but it has certainly been changed and in the closing remarks of the Member where he spoke about the Chief Medical Officer being a colonial symbol within the socialised system of medicine as is the British way, I think that he acknowledged that there are changes for if he is being changed, and that post is being changed, and the functions and responsibility and the duties are being changed, that is one of the chief changes in this organisational structure. So it is not a matter of saying that a system has changed and there have not been changes in the structure. There has been a change.

I am further told that the post or the person who now will, or who can be appointed to the post of what is presently Chief Medical Officer (CMO), to that of a Chief Executive Officer (CEO), need not even be a doctor. I see certain flaws in that. I see certain problems in that because while the administrative part of the Hospital as it presently exists is carried out I think by the Hospital Administrator, there are certain considerations which have to be taken into account which directly affect the technical and medical aspects of the situation that need to be dealt with by a doctor.

I cannot be convinced at this stage that the function of the Chairman of the Doctor's Committee will suffice on the day to day operations of a newly held facility. There has to be, in my opinion, a Chief of Staff, a Chief Medical Officer, someone who co-ordinates the wisdom or the professional knowledge and medical knowledge of all the other doctors. And if that is being eliminated, I indeed see a problem. If it is being done, that is an organisational and structural change.

It is also my understanding that each section or each specialty of the Hospital under the Health Authority Law will have a Head. There will be a Head of Pediatrics, a Head of Obstetrics, the various specialties. The question that I would pose is, are they going to be called upon to perform more supervisory duties and functions that would normally take up the time that those persons spend actually doing the work in these specialty areas? If that is the change, and let us say the persons who are presently there are going to become the Heads of these sections, then where is the other staff or where are the doctors that will be carrying on this duty while these various Heads, on a daily basis, take care of their supervisory functions? So that has to be an organisational change. It cannot be logical otherwise.

The Member did not make a case when he said that there would be no changes in the personnel aspect, or the human resources aspect of the Hospital under his proposed new organisational structure. For when he says that the Principal Secretary of Personnel, the Public Service Commission, the Member on Executive Council and so on, will be moved out of the appointment, recruitment, discipline and so on, of the Civil Service structure that is presently there, to be replaced by a Director of Human Resources, how much bigger an organisational change could there be?

What is obviously being stated and proposed is that one person under the Health Authority will be vested with authority to the extent that the Public Service Commission, the Principal Secretary of Personnel and the Member on Executive Council would have played in it. So do not tell me that is not an organisational change. It is a dramatic one.

Madam Speaker, we are talking about a changeover from normal Civil Service life or conditions of service of almost one-third of the Civil Service body. So, I fail to see how any attempt can be made to diminish so vast an undertaking.

What is key in it is that we are not talking about carpenters or higher executive officers, or engineers, or technicians in the MRCU and the various other departments of Government. We are talking about specialised personnel, doctors, nurses, lab technicians, you name it. We are talking about separate and specialised personnel, people who do not deal with mechanical things, they deal with the human animal, the human life on a day to day basis. If they cannot feel assured of their present tenure and their daily existence, it has to affect them psychologically, they are human and that can bring about an uneasiness in delivering health assistance to those in need. So this part simply cannot be played down.

Information available to me is that the Government or the Member, I am not quite certain which, the Executive Council perhaps, have decided that persons, doctors for

example and most of them are all contracted doctors, expatriate doctors as we all know, are not being encouraged into any kind of renewal of their contracts, they are being told, "Look, if your contract comes due now, we will extend you so many months," which will bring them within the frame work of the operation of this proposed Health Authority and we know that this Law says the Health Authority is in a position to hire those doctors under such terms and conditions as the Authority may deem reasonable and fit. So, there is a problem.

If the doctors on contracts, let us say, were told "Look, we will extend your contract until January and then the Health Authority is going to take over," how can they be assured? The Health Authority is not functional, it does not have in place the various things that are needed according to the Member responsible and no one sensibly can believe that come 1st January because the Law says that it can now come into effect, it is going to soothe all of those concerns by those doctors. That is illogical. That cannot be. Those doctors must be concerned about what will be their terms and conditions of service. "Will I lose pay? Will this sessional condition affect me so that I will make less money?"

The Member, in answering questions in this House, has said that it is not within the ambit of his authority to grant these doctors permits to practice privately, which is a fact. Must they not be concerned with how they will be affected if they want to practice private medicine and the Board says, "Look, I am sorry, we have a petition from the private doctors who are saying they do not want anymore competition, and we have to take that into account, therefore you 20 doctors, as the case may be, we simply are not prepared to grant you private licenses."?

Madam Speaker, this is not a small affair and it is happening with a specialised service. Throughout the world a certain deference is given to the medical profession, doctors, nurses, they fall within a certain category. It is recognised that in their hands lays the health welfare of other members of the society.

Madam Speaker, structurally again, it has to be changing because the Director of Finance will be replacing the Treasury function. Albeit, the Treasury, as it presently exists, might not be the greatest and best functioning, most efficient, effective system in Government but it is the Government Treasury. There is a certain assurance in that. There is the Chief Treasury Officer, those cheques are cut at the end of the month and so on. There has to be some kind of change when one is speaking or that will not now necessarily perform the same function. The Authority will be taking this on.

Someone's mind, or the minds of the staff of the Hospital must go to some extent and say, "Well, you know, will this Hospital have enough money to pay me, will I be assured of that?" It is one thing to give assurances but believing assurances is quite another matter and there are lots and lots of instances in the life of this present Government where assurances have certainly not proven to be what they were stated to be.

Madam Speaker, we understand from the Member's debate that there is a Planning Director on a short term contract here. One of the things that I am aware of that concerns the staff of the Hospital, various staff, supervisory staff, is that what is coming about is a supplanting, I suggest, of the American health system into the Cayman Islands which has always had the British type of system.

I am not trying to flog either one as being perfect and ideal because I think there are things to be said about socialised medicine where there is an undertaking that it should be available to all persons and I think generally speaking, this country has gone a long, long distance in providing health care to its citizens. I am not talking about that but there is a new system coming into place, one which is guided by and according to the Law, that it should be run as a business. That is actually set down in this Law. So from the concept of providing health care, we are going to the concept of providing health care but the monetary aspect has to be one of its chief guiding principles. So, the Member has failed to show that there will not be serious organisational changes within the health system.

Madam Speaker, the Member spoke also of the creation of the Health Authority Board. I must say that I have to express my surprise and concern that it is so constituted not in terms of the technical people but indeed, that the Member himself has been appointed as Chairman of the Board. I see that as a conflict.

I would not choose to go into language as strong as a dictatorship, or dictatorial, or whatever, but I certainly see a conflict because under the same Health Services Authority Law, the Member is the one who gives directives on statistics. He gives general directives for how it is to be run. He gives directives as to its financial returns and how these various and important aspects should be done. If he is giving those directives and then also is the same one who is carrying them out, if in the opinion of other members of that Board these things are not functioning properly, if the Board is not functioning properly, it is natural that they would appeal to the Chairman, letting him know of their concern about such and such a problem.

Now how does the Member then turn around and take advice from himself? It is not an easy task and one which in management circles is considered highly impossible and very undesirable. This Board, in my opinion, should be such that it is appointed, if appointed it must be, that a Chairman is appointed and that the Member sits as the Court of Appeal on what happens there and that he is in an unbiased position to judge the functioning of that Board because vested in that Board, in effect, is largely the whole function of the Government which has gone on right up until this time which is expected to change on 1st January, 1992.

MADAM SPEAKER: Would this be a convenient time for you to take the suspension?

MR. GILBERT A. McLEAN: Yes, Madam Speaker.

MADAM SPEAKER: We will suspend proceedings until a quarter past 2:00 p.m.

AT 12:59 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 2:20 P.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed. The Second Elected Member for Cayman Brac and Little Cayman continuing debate on Private Member's Motion No. 17/91.

MR. GILBERT A. McLEAN: Madam Speaker, when we took the lunch adjournment I was commenting on various points raised by the Member for Health on this particular motion and I had reached the part where I suggested that it was not a desirable situation for the Member to sit as Chairman of the Board.

Madam Speaker, I could see conditions or situations that might warrant that and certainly I would not hesitate for one moment if something like that was to occur where Cayman Airways' Board was concerned because I believe it needs the direct, immediate and personal attention of the Member responsible but in this particular case, I do not believe that the Member for Health is ideally suitable for taking this position.

I grant that he has certain knowledge which falls within the area of medical services but this particular Board with this number of staff and the various specialities within it which are expressing their concern, I think that it would be better for the Member to be detached and let information flow to him and be in a position where he could unbiasedly deal with situations arising from this changeover.

Madam Speaker, it is not something new where Authorities have been set up by this Government and where some civil servants have been seconded to these Authorities. The first one that I think of that comes to mind was the Port Authority and is also the Airport Authority and to the best of my knowledge a similar situation has been done there. But the sheer numbers and in the profession that this is, makes for a different condition.

It is my understanding that until now the Personnel Department has not circulated these civil servants saying to them what their conditions are; what they will really be faced with once they are seconded to the Health Authority; what, for example, would be happening in terms of discipline; what, for example, would be happening in terms of pay, in terms of them being re-assigned to other parts of the service; what would happen for example if they were to resign or be dismissed. These are extremely significant matters to the lives and the welfare of these civil servants.

I believe that the Personnel Department of Government, the Principal Secretary of Personnel, the Member responsible for Personnel, has a legal and a moral duty to make this situation explicitly clear. They have always existed, lived, and worked under the clear understanding of how the Service functions but within this new environment which is suggested, it has to be different if the Authority is to function the way it has been set down in the Law and the way that the Member envisages it to be and also the way he has administratively set up the various committees and so on.

I have no problem whatsoever with changes being made where doctors can be held more accountable, if that is the desired position. I have no problem with that whatsoever but making a change where doctors are more accountable or are required to cross every "t" and dot every "i" is a different situation from putting them into an environment where their functions, their duties and their responsibilities would have to meet another set of rules.

Madam Speaker, I would not also try to refute the Member when he says that the Health Authority has been talked about and I emphasise "talked about" for a decade, it might be more, and the fact that in 1990 this present Government, this Member decided that he would create an Authority. But the point is to be made that talking about it or even deciding to do so are worlds apart from the actual implementation of this particular Authority. That is, in my opinion, where the concern lays among the staff.

One cannot deal with doctors and nurses and the various technical people in a manner that you would deal with regular Civil Service administrative staff and so on. They are of a different sensitivity, different mental psyche in their profession. They abide by different rules and ethics and all the rest of it. Some people jestingly and perhaps, sarcastically, say that they are the one profession, doctors that is, that can bury their mistakes. It is different, there is no question. It is a different situation.

Madam Speaker, anything that would bring about quick decision making and accurate decision making, proper management, I am for it. I am opposed to the Health Authority only to the extent that I said when I debated that Bill a few months ago, I think that it was too much, too soon. And still I believe that its implementation is being rushed at this time. So I agree with the recital that the Member moving the motion had in the motion.

I think there is a haste in it and it should not be hastened the way it is being done. After all, if the Government is to fund it in the same way that it has been doing for the first year, it gives certain latitude, certain assurances to the staff. If the Member wishes to implement certain functions and conditions as he is doing now administratively, there is nothing that hinders him. What is the difference where administratively he says that it has been brought into play than when it is brought into play because the Law says that it comes into effect then.

If he is now going about the planning and the implementation, I would assume that the administrative move that he has made has legal blessing, at least I would have hoped that the Attorney General would have advised on this and told him that what he has done so far is legal. So I do not really buy the argument that it has to come into effect on 1st January, for such and such to happen, when such and such is already happening.

It matters not to me about the ending of socialised medicine if to say that that has ended and that means improvement in the system, let it be. Let it go ahead and end. My concern

is three-fold.

One, and specific to this motion that the staff which has to carry out this service is happy and satisfied and can function within it, the other one is, the cost to the country and thirdly, just how quickly this is coming about and will it guarantee the medical service to all Caymanians?

When the Member said that there has been struggling among the doctors for the past four years and beyond before he took over the Portfolio and that no decisions were being made as to a Health Plan, I imagine he accepts and knows he is being extremely critical of his mentor and now present Member for Education. The latter has said that he had moved that particular system along considerably and it was with ease that he passed it on to the present Member.

The plan which this Member had done by IHC, I personally believe is unsound in many respects and I continue to believe that. I believe that there were better able specialists and experts in the field of health services than the person to whom the contract was awarded and I think that much cost that has occurred over the past two years or so has been far beyond what would have been necessary had someone else done the plan.

I really do not share his opinion that this plan, among which is the building of a new Hospital facility in another location, is a good plan at all.

I would not wish in any way to try to attempt to challenge the Member in hiring doctors whom he termed as Board Certified in Pathology, or Surgery, or all of the other fields. I think that should have been done long before it became a necessity for him to do so, which apparently it was not done before if we take him at his word.

I am always for the proper person to do the proper job. And if he has done that and if he now hires doctors who are more qualified, more finely qualified, or whatever one calls it when you reach the highest peaks in medicine, then I think that is good and fortunate for the country.

In this respect however, I have heard that there are a number of doctors which change with such rapidity in some of these areas, locums they are called, that it does not make very well at all for good patient relationships and for that matter because each doctor, or some doctors are not allowed sufficient time, they do not have the opportunity of knowing the patient, the patient's history and so on, the way one would if they were in post for longer periods of time.

The Member did cite that there is at least one case where there has been some legal problem or organisational problem and it is now being covered by a locum. Again, no doubt, the doctor prior had built up certain confidence and so on, with the public that that would obviously now be severed and it would have to be a case of starting all over again and certainly it is one of the delicate situations where we are talking about the continuity of mankind on earth and particularly in our society.

Madam Speaker, I do challenge him when it comes to his statement that he made the best choice in terms of choosing the Cleveland Clinic for Tertiary Care not that that Clinic as far as I know, is not providing the care which is required of it but certainly when you place one such business in the United States in that monopolistic position, it really does lend itself to price fixing because there is not the competition it would have if indeed the Government could refer persons say to Cedars of Lebanon, or Jackson Memorial, or other such Hospitals in Florida. So I do not necessarily agree with him at all that that was the best decision made there.

I think the public would have had a better opportunity and indeed the Government would have had a better opportunity if there were for example, various specialties allowed among the various Hospitals or indeed if there was a contractual agreement with one or two more such places in the state of Florida. I would believe that part of that decision was based on the IHC recommendation which stems directly from the state in which the mother clinic, should I say, exists.

Madam Speaker, one of the things that gives me the gravest concern in this whole affair is what the Member referred to about the planning of the new Hospital. I believe that the haste with which this whole exercise is going is mainly, if not totally, because the Member is determined that he will put this country into a position where there is some kind of legal or financial commitment to a new hospital facility.

I am personally convinced that that is the chief motivating factor and the concern that I have where the staff of the George Town Hospital is concerned is that rather than pay attention to the setting up or the implementation of a Health Authority system in the George Town Hospital, that it is being transposed into what is going to be in a new Hospital. I think that is the concern of staff generally.

That is certainly my concern and I think that it is the concern of the people who are affected by this because there are so many statements that I have heard and so many fears have been expressed by private doctors, by Government doctors.

I have talked to Members of the Medical Association and they are worried about the speed with which it is moving and they are saying (and I share their view), "Let us improve the present facility. We do not disagree with the concept of a National Health Insurance Scheme, but let us prove that it can work, let us prove that it can work within the Hospital we now have. You have been given money, \$1.5 million last year to improve the present Hospital facility, it should be done instead of the ever-increasing pressure towards saying, 'I have built a new Hospital, I am committed to a new Hospital.'" That worries me in ways beyond what it might worry the doctors. It worries me about price on this country, the cost to the country, particularly because of the financial position we are now in, because of other impending liabilities on it like through the airline and otherwise. Any sensible legislator would be concerned because there is no control over the revenue. There is control over the expenditure in the hands of the right people.

Madam Speaker, that new Hospital, which again is the driving force, takes the Chief Medical Officer away for more time than staff thinks is the case. Certain decisions which he would make, I am reliably told, have not been done and I have some proof of this because I have a copy of a

memorandum which was sent directed to the Principal Secretary of Health and Social Services from the senior staff in the Health Services Department via the Chief Medical Officer, dated 12th September which is pointing this out.

I would crave the indulgence of the Chair to read it. It is brief and to the point and makes the point and relates back to apparently what I have said in terms of personnel not filling its role in doing what it should do and again where it figures in with the new Hospital situation. It reads:

"We, the undersigned, wish to express our deep concern for the direction in which the present management of the Health Services is moving, or the lack thereof. This along with added responsibilities allotted to departmental officers, who already carry heavy clinical and managerial duties, is becoming burdensome and counter-productive to patient care delivery.

Senior management, namely the Chief Medical Officer, is most often unavailable for management support and policy decisions. In many cases, the Chief Medical Officer fails to see the need to follow proper procedural channels, even overriding decisions made without consulting those concerned. In addition the Chief Medical Officer tends to give a different interpretation to decisions/actions taken, when the matter is discussed subsequently. Situations and actions of the chief Medical Officer has brought staff morale to its lowest and is affecting patient care.

Our recommendation is that even though it is of importance that any new facility be built efficiently and cost effectively, the Chief Medical Officer's first duty is to the institution he serves. Moreover, a boss in absentia is no boss at all.

We the undersigned ask that serious consideration be given to the above mentioned problems, if this health services is to remain an efficient one. Without proper support from top management, employees here are unable to do their jobs."

What was striking to me about this is that this is signed by 27 people who are all in the top management of the Hospital.

HON. D. EZZARD MILLER: Madam Speaker, I wonder if the Member would table a copy of that letter for the interest of all Members in the House?

MR. GILBERT A. McLEAN: Madam Speaker, I have read this here. I have it. I have no problems of tabling this, making this available. All the signatures are here. This is addressed to the Honourable Administrative Secretary, the Principal Secretary for Personnel and the Secretary of the Public Service Commission. Madam Speaker, I have...

MADAM SPEAKER: Honourable Member, you have read the document, please lay it on the Table of the House as was done this morning with the other document. Thank you.

MR. GILBERT A. McLEAN: Madam Speaker, I am quite happy to do so. The situation thus, I think that would have to be copied because that is my copy. I would like my copy back please.

This is the thing that concerns me. All of those signatures are the signatures of all of the top people, from what I can see, in the Hospital. It is making the point that I have been trying to make and indeed the First Elected Member for West Bay has made, that this is a situation that causes concern, not about having a Health Authority but about what is happening during its implementation time that logically would need more time to be done properly. And, that the Chief Medical Officer at present, is spending more time than is desirable and thus is not being able to give sufficiently to the Hospital. The new Hospital is not fixing our present Hospital, it is that one in the swamp up at South Sound.

This afternoon I and four colleagues went to that site and if this country or this Government is going to spend money sufficient to fill that swamp to build a building on, well, there will definitely be no more money left in the Treasury of this country. Every single member of this Caymanian community who has an interest in knowing what is going on, should go up that dike road and see that piece of morass, black-mangroved swamp.

Let us fix the Hospital we have. Let us improve the services that we have there. Let us do all of these good things for the doctors and the nurses in the Hospital that we have. Let us build a new Hospital on a site which exists, where it can be done phase by phase.

Madam Speaker, it is no good to make 15 or 18 committees when those committees cannot really accomplish what a well-structured organisation is all about. Having committees and even if a committee meets an hour every two weeks, it does not mean that that committee is accomplishing that which could be accomplished if there was another type of organisational structure.

It is one thing for the Member to consult any committee or to consult any other members of staff, but the thing which bothers me is how much of those recommendations are being taken into account by the Member and the Chief Medical Officer and the Executive Council and all of the others?

I say, yes, there are persons who are worried about victimisation in the Hospital. (Certainly that has been expressed to me by staff in that Hospital and I mean top level staff.) They are concerned about it. They are concerned about this mere fact of consulting when what they say does not agree

with the flow of things at this time that they are being heard. But it does not mean that what they are saying is going to be accepted and down the line they are going to pay the price for it. That is what they are concerned about. That is what doctors are concerned about, some of them, right now including some local, certainly a number that are non-Caymanian. They are worried about it. They are jolly-well worried about it and they know why and I do not need to make any accusations here because everybody knows why.

Madam Speaker, from political platforms and within this House I have criticised the Member for Health when he has gone to town criticising various members of the Hospital staff.

That has occurred again today and the facilities have been criticised from time to time and those facilities really cannot be so very bad because in truth and in fact, they are meeting our daily and every need. Fix them, improve them, oh yes, I am for that 100 per cent. But for building a one story building way back in the swamp, way back in sort of a desolate area to remove it from the town centre where the present Hospital is, no, that does not make good sense.

So, I still believe that the staff at the Hospital do a good job generally, and this has to be taken into account and this is what I think they are saying: "Look, let us continue to do as best we can." While we are not against a new facility and certainly I am not, but it is where, how much and during what period of time that it is going to be done, that bothers me.

The various Regulations which need to come about have not yet been published and the Member did say that all that has been published to date deals with the fees which the Hospital can charge. Certainly that is an important area of things. Certainly when a few months ago I debated this question of the Health Authority, I said that before the Member worried about a new Hospital and before the Health Authority was implemented with such rapidity, he should have had in place a National Health Insurance. Grant him, he has made steps in that direction and praise where praise is due. But these are the things that are necessary prior to this great rush of getting all of the new changes of the Health Authority in place and building a new Hospital.

I think the staff of the Hospital knows the zeal with which the Member wishes to build a new Hospital and it is good that the Board of the Health Authority should, through him, write to the various members of staff regarding their contracts reassuring them about their contracts. But would it not be a little more reassuring if Personnel suddenly did not give up in totality and absolutely their responsibility to these civil servants and had some say in this too, some kind of written assurance, some kind of assurance to those members of staff including the important areas of their conditions of service, their recruitment, their discipline, their termination and all of the rest of it?

I think it is worth commending the Member if he intends to create a situation whereby he provides for ongoing and continuing education for people in the Health Services. I think that is desirable beyond doubt and beyond question. But then again too, that is something new and that certainly takes some time to get in place. It takes some thinking about because if you are going to take a doctor up who is doing a particular specialty, send him somewhere to do a month, two months, three months study - I do not know how much it takes in these instances, I understand in Canada that is a requirement for you to continue your licence, you have to do refresher courses - I think that is good. It should be done. But then again, I trust that it is not the case that doctors are going to find themselves without jobs, or the lab technicians, or the nurses, or whatever, simply because they cannot leave when they are told by the Board, "You leave next week. You go to study." It has to take time, it has to be planned.

Madam Speaker, I have been critical of the consultants who did what the Member calls the Health Services Study, the Hospital Study and will continue to be critical of them until I can see otherwise than I now believe. Surely I have never been one to advocate finding any non-Caymanian to consult or to know what best to do in any job when that Caymanian knows how to do it. And, the reference to the Cayman Airways Study and the study done for the Health Services, where I am concerned, there is no comparison. My position was the people who undertook it were technical people that were not in a position by being a part of it to give the type of unbiased critique and in-depth study as has come about from the study which has been undertaken of Cayman Airways.

Certainly again, I would not believe that the doctors who were employed at the Hospital could ideally have the type of helicopter qualities that were necessary to look that much in depth at their own situation. Again, an outside study in my opinion, would have been the more proper one. But this study that was done, I have certain serious doubts about how well, how effectively, how detailed and how practical a study that is.

The Member said that the Executive Council wished him to be the Chairman of the Health Authority Board. There is nothing any of us on this side can do about that but as I said I do not think that that is the right thing to do and certainly I know as a fact that when the Constitutional Commissioners were on this Island earlier this year, one of the things which they queried and certainly spoke about was the fact that Ministers, if you will, were sitting on boards for which they were responsible. Who appeals to whom? Does Caesar appeal to Caesar? It makes the situation quite impossible and I know that they spoke about that situation so I do not see it getting better now. From my own point of view, as I have stated, I think there is only one Board that I would suggest that the Member responsible for it would take Chairmanship of and that would be Cayman Airways because the conditions there are serious enough and immediate enough for such a direct intervention.

Madam Speaker, in summary, I support this motion because I believe it is very necessary not to hamper, not to stop the ongoing process of a Health Authority coming on line but giving all persons the opportunity of getting into it in a timely and sensible fashion. I believe there needs to be reassurances to the staff, not only by the Health Authority but also by the Personnel Department of Government and all those persons responsible from the Governor downward as he is ultimately responsible for the Civil Service.

I still believe that the implementation of this Health Authority, or the implementation of the National Health Insurance Scheme should not be contingent upon the new Hospital which the Member envisages and which he works with great speed and zeal towards bringing about. That represents a financial commitment I do not believe this country can handle in its totality as he is thinking and I do not believe that we have enough people, enough sick people to sustain it.

There is little more I think I can say other than that I support this motion and I hope that the Government or that the majority of the Members in this House will see the wisdom of affording the Member for Health a bit more time to implement this scheme.

MADAM SPEAKER:

The Second Elected Member for Bodden Town.

MR. G. HAIG BODDEN:

Madam Speaker, the motion before the House presents the most reasonable request that has ever been made to the present Government. It requires that they slow down this process of implementing the changes which they have started in the health care services. In other words, the motion is asking what a recent Throne Speech admonished the Executive Council and the Government to do and that is to make haste slowly; take your time.

I believe from what has been read here by the last speaker that there is a lot of truth in the words of the Member who introduced this motion when he said that the people responsible for health care, at least some of them, are so involved in this process of getting this new facility built that they are neglecting the primary purpose for which they were employed by this Government.

The irregularities recited by the First Member for West Bay were appalling indeed and the Government's attitude towards the existing Hospital seems to be the same attitude they have towards the main arteries of communication, that of our roads; just leave them alone, let them deteriorate so that we can justify having brand new facilities.

The entire Backbench objected strongly to the amount of authority given to the Member under the recently passed Health Services Law and it seems that from what we have heard today and from the rules which have been passed on to us that the Member has set himself up to be the chief cook and bottle washer for the entire operation.

One of the problems with the Government is that they always seem to get bogged down into trivia and unimportant matters that could be delegated to junior clerks in the Service and not having time as in the case of the Health Services, to deal with major policy matters or revitalise the economy. They always remain hewers of wood and drawers of water.

The motion claims that the new system alters the present organisational structure and conditions of service. I might add that this has been mildly put. It fundamentally changes what had previously existed. We heard the statement read by the Second Member for Cayman Brac and it is interesting to note that that statement by the Board or the statement which the Member for Health gave this morning, was put out only after the letter had come from the top people in the Hospital. So the statement from the Board, it appears to me, makes a very feeble effort to calm the fears of the staff.

One can only wonder why the Member for Health would cause such a stir among this Department and its workers, kick up such a storm that it was necessary for the Board to put out, as he said on 27th September, a statement to the Health Services staff. The statement claims that it is an effort to "arrest and alleviate any misconceptions surrounding the job security of the present health care workers."

This is a frightening situation when professional people like doctors, who have taken the Hippocratic Oath and who have a duty to their patients have now become so concerned with their contracts or with their terms of service that this newly instituted monster of a Board has to put out a statement to mollify their fears.

The statement which the Member gave us says: "...all existing contracts with the Government will be honoured by the Health Services Authority." If I were a nurse or a doctor at the Hospital or one of the executive staff, I would not be quieted by that statement because the Health Services Authority has no existing contract with the Government and all that this statement says is that "the existing contracts with the Government will be honoured by the Health Services." The Health Services Authority is not in a position to honour the contracts which the Government has put in. Are they usurping the role of the Public Service Commission? Are they taking unto themselves all the Regulations that govern the civil servants, and what guarantee can they give?

What is even more fearful, are they, by saying this, also implying that they are in a position to dishonour the contracts and the terms of services of established members of the Civil Service? All that this motion is asking for is that the implementation of this whole process be delayed so that these matters can be ironed out.

The Health Service Authority says that these civil servants "will continue to receive all benefits and considerations afforded to them by the Civil Service." I am asking by whose authority can the Board say this or guarantee it? They are not in a position to do it but they have only put out this statement to try to allay the fears of those civil servants who are disturbed that the Board may attempt to remove them from their positions or interfere with their terms of service. We know that the letter which the Member for Cayman Brac read is connected to this statement from the Board because both documents are copied, strangely enough, to the Principal Secretary, Personnel.

The Member for Government who spoke on this motion did nothing at all to answer the fear that prompted this motion. In all of the statistics that he quoted and in all of the reports that he referred to, he never uttered one single word in answer to the fear which prompted this motion. That fear is expressed in the Resolution to the motion, the last paragraph of the motion and that fear is that the

patient care may be adversely affected by his actions and by the actions of the people who support him. So this motion although couched in very serious terms, is a serious motion asking that the Government does not allow this Member to rush headlong into catastrophe.

He bemoaned the fact that for five years they have been trying to get a health care plan and they had not gotten it. Well, that is not surprising. I do not know why he was so critical of the poor Member for Education who held the post of Member for Health during the four years prior to the last election because they are all in the same leaky boat, they are all on the same shaky quagmire, they are all trapped in the same net, so why he is critical that that Member had not succeeded in putting together the Health Care Plan.

This, on the other hand, does not justify the accelerated speed with which he is moving and this motion seeks a delay in the implementation of the process and I will say that I support the motion and would ask other Members to do likewise.

MADAM SPEAKER:

The Honourable Member for Education.

HON. BENSON O. EBANKS:

Madam Speaker, I shall not be long because I believe that the Member for Health has successfully torn the motion to shreds and has shown that it has not one iota of substance to it. I only want to deal with a few points raised by Members who spoke from the other side and that is for example in relation to what the Member for Health said about Government and the medical staff having tried for some four years to develop a health plan unsuccessfully. I can confirm that that is true.

In spite of two visits by United Nations Development Programme experts who, in fact, did the skeleton of the Plan, the Plan was not developed. Also the Portfolio gave all of the help that it could and it was not developed, so I support the Member for Health having gone out to an independent consultant to get the Health Plan done. The actions here today and other actions indicate quite well why the Plan was not done before because some of the entrenched interests in the Service find any type of forward-looking plan or regulation unpalatable and a threat to their entrenched position which is probably on shaky ground otherwise then by holding on to an outdated and outmoded system.

Madam Speaker, the problem as I see it is that everybody in that institution wants to be a Chief and nobody wants to be an Indian and no organisation can run in that fashion.

You know I regard this whole episode as disgusting because this letter that the Second Elected Member for Cayman Brac read makes it abundantly clear that this motion here today is at the request of a bunch of disgruntled people at the Hospital who, in fact, at the meeting called gave an indication that they agreed to carry on and solve their problems internally.

I think I should read a memorandum written by the Principal Secretary to the senior staff in response to that letter so that the House will have a balanced view of what took place. This letter was written on 27th September. The subject: Concerns at George Town Hospital and it reads:

"Thank you for your memorandum of September 12, and the opportunity to listen to your concerns. I should like to reiterate that I view our meeting on September 13 as a very positive step to address the concerns which you hold.

Since our meeting, I believe that various important things have happened. The Chief Medical Officer, with the concurrence of the Portfolio, has delegated the day-to-day management of the hospital to the Hospital Administrator. This is the organizational structure to be implemented under the Health Services Authority. In addition, a Medical Director, responsible for clinical services will be appointed as soon as possible. This is necessary because the post of Chief Medical Officer will fall away, and Dr. Martin-Smith as Chief Executive Officer will be responsible for the overall implementation of the Board's policies.

This reorganization will be further developed with the pending appointment of a Director of Human Resources and a Director of Finance.

Your continued involvement in the transition from a government department to an Authority is essential if we are to succeed in our goal of offering the highest standard of health care to the Caymanian people. I realise that additional meetings and responsibilities will put added strain on healthcare staff who are already heavily involved with their day-to-day duties. However, I urge you to take full advantage of the opportunity to take part in developing an improved health service."

I would like to table this copy of that memorandum.

MADAM SPEAKER:

Thank you.

HON. BENSON O. EBANKS:

Now, as to what the Member had to say about the staff at the Hospital after the Authority takes over in January. That is not a figment of the imagination, that is section 13 of the Law. Section 13(3) says: "Any public officer seconded under subsection (1) shall, in relation to salary, pension, gratuity and the like and to other rights and to discipline, be treated as if he was not so seconded." In other words, they will remain in those categories as though they were still civil servants.

Section (1) gives the Authority the right to employ at such remuneration and on such terms and conditions as it may think fit, officers as may be necessary for the

performance of the functions of the Authority.

The Member has said that those persons who are not civil servants but hold contracts, the terms that they have would be honoured by the successor organisation, the Authority, which is only common sense. So that is not a figment of the imagination it is the legal position.

Those are the only two points that I wanted to clear up. I wanted to say that I have no problem with what the Member said about the delay in getting the Health Plan developed.

I will say without fear of successful contradiction that if an outside consultant had not been put there we would not have gotten it this far because this today, is only an effort to even stop it at this stage. The memorandum from the Principal Secretary is tabled to give a balanced view and to show that the Portfolio and the Member did not ignore the representations made. With that, I just want to say that I will be voting against the motion when it is put to the vote.

Thank you, very much.

MADAM SPEAKER:

The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN:

Thank you, Madam Speaker.

This motion is one that has obviously hit very deeply when we look at the response that we have had from the Government Bench. They realise when we are getting at the root of the problem and this is the reason why we have seen a very fierce response to this.

The motion itself is one that to me makes good sense because I believe that the changes that are being brought about under the Health Services Authority Law are very severe, and very complex, and if this is not done right we are going to have another disaster on our hands. The motion itself is one that I would have expected that the Member responsible for Health would have sighed some relief in knowing that he was going to be looking at sufficient time to get this novel and complex matter into the right perspective.

The attitude that we have seen displayed by the Member in the debate in this House has caused him the many problems that he has with staff. It has to be his way or else! In this world, with the many imperfections existing in the human race, there has to be a give and take attitude. I believe this attitude has caused the Member a loss of team work and loss of confidence on the part of many of the staff, the senior staff included, not only in the Health Services Authority but in other areas of his Portfolio. We must understand that unless there is team work and there is an understanding and proper communication between the Member and his staff, we will never really get the type of services and the high type of skill that is necessary for the team work within the medical health services.

Much has been said by the Member for Health about consultation and I am not necessarily here to give lessons but consultation and communication, to be effective, has to go both ways. There has to be give and take at the end. I think that to people listening to this approach here today and also to the approach that I saw when the medical staff met in relation to the Hospital some time ago, a lot of the senior staff met there and we were asked to come in as Members, the attitude that he took was definitely what created a lot of the problems at the time.

It is all well and good to take a fixed and hard-nosed approach to a subject when you are in a position to carry that through without the necessity of the co-operation of other people. But when you need the co-operation of other people and here we are looking at some 300 staff that are being transferred, seconded, or whatever to this Authority, then you must listen and you must also take the approach that while your decision may be the final one, you have to give and take, you have to understand the problems of your staff and you have to do what is necessary to see that the confidence and team work of that staff is won over.

You do not get it by saying, "Here it is, look at it but what I say goes, so do not bother changing it." I do not know what the Member's definition of participatory management is but what I do know is that he has mentioned in here that when he gives (or words to this effect), his order, he wants something done, it must be done within the time that he says. It shows the lack of flexibility which is so important if you are going to lead 300, largely highly professional, highly skilled staff.

This, perhaps, is where I believe the Member for Health has once again gone wrong in that he seems not to really understand that he is dealing with a professional staff that you cannot just push. They are people who have taken years to qualify in their speciality, they analyse things fairly carefully, they plan things fairly carefully and they are just not going to be led blindly where they do not wish to go.

He mentioned the colonial system that exists at present and it is hard to tell what system he is now trying to override that with but it obviously is one that is very much an "Ezzardism-oriented" system. It is known that he does not take kindly to people not agreeing with him. That was obvious, I think, in here. It is all well and good to have the consultative committees, if they go against you, you disband them. It really serves no purpose.

Moving on from there, I found it very interesting that the Member for Health had severely criticised the previous Member for Health, now the Member for Education, in not getting his Health Services Plan through in the four years or so that he was in charge. It once again goes to show that there is not the careful thought in the Member for Health's speech when a part of it actually turns against his colleagues in Government. The Member for Education attempted somehow to try to justify his position; I use that as an example of the extreme that the present Member for Health will go to get his point through.

Now moving on to the area of the Health Services Authority: I find that this Law which I opposed when it came in and I do not, as such, oppose having proper management in the Health Services system. I believe in participation, I believe that team work is necessary but no one can tell me that

when this Bill was drafted, instructions were given for drafting it, I should say, or when it was conceived in Executive Council that this should be brought in that this House intended that the Member for Health should be the Chairman of the Authority because if that had been the situation then he would have been put in there as the Chairman in the Law. That is the way these things would have been done.

While he may say that Executive Council wants him to be Chairman, that is when it is established I am referring here to the fact that he has signed as Chairman of the Health Services Authority, then I believe that they would have put him in there and they would have removed the power, which I suggested then should have gone in the full Executive Council, they would have removed the extensive powers that he has to give directions to that Authority because it has to be wrong in principle and it has to be wrong democratically to establish an Authority and try to clothe it in some form of independence and give yourself the wide powers to direct the policy, to call for information and the many things that he can do under this and then to go and sit as Chairman of the Board.

Firstly, the Law at present, has been made to look stupid because why waste the time if the Member is going to sit as Chairman of this Board? Why waste time having all of these references to things that he can do external to the Board? It had to be envisaged that he would not be a Member of the Board.

I want to just point to a few of these because the Member has laid on the Table a statement that he sent around to the staff signed as Chairman of the Health Services Authority. If we look at the way the Law was set out, we will find that in section 19(3) it provides: "Without prejudice to the provisions of subsection (2), the Member may give general or special directions with respect to the accounting procedures of the Authority and the Authority shall act in accordance with such directions."

So you have similar provisions to section 19 set out in section 22. He can require statistics or other information forwarded to him. If he is sitting on the Board you do not have to forward any returns as statistics, he is a part of the Board.

If you look further at section 25, it says: "The Member may, after consultation with the Authority give such general directions in written form as to the policy to be followed by the Authority in the performance of its functions as appear to the Member to be necessary in the public interest." I could go on because it goes on in section 26 which gives wide powers again. The point that I am making here is that before this Law, before this Board even becomes a reality, the Member has, in my opinion, overstepped his position in an effort to build up his power. It is nothing, as I see it, more than a craving for more and more power. He is given power under this Law which is probably more extensive than under most Laws relating to corporations that I have seen, but he must go further and he must now get directly in and interfere in the working of the Board.

One of the Members talked about appealing from Caesar to Caesar but this is even worse than that because the Member can stand, to give an example, in the Glass House and give directions to the Health Services Authority. He can then run down to the Hospital, sit on the Board, presumably he would carry out what he decided, he can then run back up to the Glass House and hear the grievances of people who have been before that Board and then he can turn around and give them directions again. It is totally wrong democratically and in principle what he is doing and it is all being done in the interest of power.

This is the root of the staff problem that he is now having because from what I can glean from the situation at the Hospital, the Chief Medical Officer seems to be a person whose main aim is to carry out the wishes of the Member for Health. That is what has given rise to the fact that instead of the time being properly spent to try to deal with the present medical services and their problems, he is getting totally immersed in dealing with the Member's monument to himself, his new Hospital, and dealing with other things that he has in the pipeline that he has to get through in the next few months before he may vacate his position as Member for Health.

This therefore, is the cause for concern because we are dealing here with the question of life and death. The Hospital, the Health Services depend on its staff for the services that provide life to people and the day that we get any shortcomings in it means that someone's health or even someone's life could be at stake.

In any event, I think that in principle there should be no political interference, there should be no political pressure and there should be no politician sitting in a position to exercise direct authority over conditions of service of civil servants. That is a long-standing principle and it is worse still if that person is taking the attitude that the present Member for Health is taking. This is why the staff are worried, they have to be worried at this stage. The only way that this is going to be cleared is for reasonable policies and democratic procedures to be once again brought back into the Health Services system.

Despite what the Member stood here and said about how great things were at the Hospital, we now know that senior people, senior civil servants in the Health Services Department have written to the Principal Secretary stating specifically that staff morale is at its lowest and that it is affecting patient care.

Now there is nothing that that Member can stand here at this stage and convince me of, nor should he be able to convince anyone else in this House that he does not have a serious problem. Here he is moving on full speed ahead, shutting his eyes to these problems and instead of trying to solve them he is pushing on with his million dollars' worth of plans for a Hospital that he is going to build somewhere in the middle of the swamp. I heard a little joke on that some mornings ago that the bulldozer operators turned up on the site with life vests on before they would get into their bulldozers because one of them was found standing on top of a bulldozer some weeks earlier when it slipped in.

If we are going to end up spending heavy sums of money to begin this changeover from the orthodox Civil Service to the Hospital Authority and I will show in a while, why the

Member is in such a hurry to get this through because it is the only way that he can really achieve what he wishes to achieve and circumvent, at least if he is smart enough, this Honourable House when he gets around to dealing with the expenditure on the "monument."

The statements put forward by the Second Elected Member for Cayman Brac and Little Cayman showing clearly that these are serious changes, I endorse. It is no good standing here once again, as the Member has said, and telling us that he is not making changes. If he was not going to make any changes he would not need this Law and he would not need to be Chairman of the Health Services Authority. He is once again failing to realise that he is dealing here with a professional staff that are not going to just be fooled by simple words or any flutter that may come from the Member to brush these problems aside.

What concerns me seriously is that the Member has had good advice from the staff. They have stated their position in one of the few democratic meetings of staff that I have attended at the Hospital while this Member was in charge and they told him outright that what he was doing with the two Hospitals was both very expensive, it was a duplication of equipment and staff, it was going to be frustrating to try to operate such a system because people would have to be moved from Casualty some four miles across to the Hospital and he has just gone on and ignored them.

Once Again, as one of the Members mentioned, we have seen that he asks for these recommendations. He gets the recommendations from the staff to slow down the implementation of the Health Services Authority and he moves steadfastly on to bring it into effect.

One other point that I agree with, I think that it was raised by the Second Elected Member for Bodden Town or the Second Elected Member for Cayman Brac, is that we should not have the Health Services of this country as far as overseas hospitals are concerned limited to one hospital. That is totally wrong. Firstly, it creates the monopoly that lends itself to abuse and it must be better for there to be some type of choice by people who have to go abroad for medical treatment.

Now the statement that the Member produced to the staff and which he laid on the Table of this Honourable House probably I believe the most frightening part of this was when the staff saw that it was the Member, as Chairman, issuing another one of his many directives which basically says, "Everything is going to be all right, leave it up to me. You see that I am on the Board." What he failed to realise is that people know him at this stage and therefore, this coming from an independent authority would have carried some weight but means nothing coming from him as Member for Health.

Coming to one of my last points, I believe the reason why the Member is hurrying to get in the Health Authority Law is not because he is worried about getting a smoothly operating Health Services in the Cayman Islands but he sees it as a means to getting in his new Hospital. Why I say this is that until he gets to a stage where there is an Authority in operation under this Law, he is not in a position to exercise the powers that are vested in the Authority under section 16. This was a point that I raised when the Law was coming in. It gives the Authority, under section 16(2), it says: "The Authority shall not, without the written approval of the Governor, exercise any power of borrowing." Therefore, what he has done is not only to create the machinery by which to control the staff at Health Services but he has created the machinery by which he can go out, with the approval of Executive Council if he can raise it without a Government guarantee, he can go out and borrow the money to build his Hospital.

To me all of this rush is so that he can ensure that when the time comes and his million dollars' worth of Hospital plans are finished he is going to sit as Chairman of the Board of the Health Services Authority. He is going to decide that he is going to build the Hospital (which he has told us will be begun so that it cannot be stopped by a future Government). He is going to sit there and pass it, he is going to run back up to Executive Council, he is going to sit in his capacity as Member and he is going to have the Governor in Council approve the borrowing.

Now I may be wrong on some things but I do believe that what the Member wants most during his time in Government is to see that this Hospital is started and to such an extent that it cannot be stopped or altered in any way. I have said before and I say now, this is a waste of the public's money and I agree that they should have the best health facilities that they can but we must do it at as reasonable a price, we must get as much value for each dollar that goes in there because it is the public's money that is being spent, not the Member's this Honourable House.

I believe that what we are going to have in operation next year is an Authority that is autonomous, totally under the control of the Member for Health. I believe that you are going to see his anger levelled against staff which now he cannot touch because of the Civil Service Regulations that are in place and I believe that he is going to go on to do as he wishes to the detriment of 300-odd good staff, probably to the detriment of the whole Health Services system and definitely we are going to see a squandering of the public funds before he is stopped.

I opposed this to begin with because I believed that if he genuinely only wanted management in the Health Services that could have been implemented with a very short - without even having a Law in place. It could have been a system where there was a management board in operation but this Law and this Board gives him, as a politician, the direct intervention, the direct interference into Civil Service matters that should be free from political interference. What is happening now is that we are beginning to see a crumbling of what was a very proud and good health system in the Cayman Islands.

I am all for the upgrading of the Services, I am all for seeing proper facilities in place but what I am totally against is seeing the Health Services system destroyed by a power-hungry move on behalf of the Member for Health.

MADAM SPEAKER:

The First Elected Member for Bodden Town.

MR. ROY BODDEN:

Thank you, Madam Speaker.

In rising to lend my support to the motion presently before this Honourable House, I would like to draw Honourable Member's attention to a newly released film by the entertainment company, Warner Brothers, entitled, "Other People's Money", a film in which Danny DeVito plays the character of Larry the Liquidator, an arrogant, power-hungry, ruthless administrator who undertakes to solve a certain problem but only succeeds in creating a greater one. I wonder if the Honourable Member with responsibility for Health saw that film, and if he has any affinity to Larry the Liquidator?

I believe that it is the duty of the representatives of the people, in this case the Backbench, to sound the alarm when it is necessary to warn of policies which are going off track and are going amiss. This is our responsibility and this is indeed what we have been attempting to do since our association. We recognise that it is the Government's duty and business and they have a mandate to govern but they must also recognise that it is our responsibility, as the representatives of the people, to caution when we think it necessary.

Madam Speaker, the Honourable Member has had ample warning that his headlong plunge, his intention to radically transform - and I use the term radical advisedly - the health system in this country, is not only dangerous but is unworkable. It is unworkable because he has not taken the time to examine some fundamental quirks in our society.

For example, I am convinced beyond reasonable doubt that the kind of health care system we should seek to implement in this country is an excellent primary health care system with excellent diagnostic services because the geographical proximity of this country to the United States coupled with the fact that we have to this point been fairly affluent and many, if not most, Caymanian people can afford to fly up to Miami when they have reason to believe that their health is in sufficient danger that they need expertise. That has become entrenched in our society now and we could say that it is a habit. For those who do not have the ready cash, have the means by which they can acquire that, namely land or some other resource that they can use as collateral to put up to acquire the necessary money. That is why his plans are not going to work because he has refused to acknowledge that fundamental habit of the Caymanian people.

I have to say as a representative of the people, some of whom will be affected by this change of his, that I take umbrage and I object to him radically transforming the whole health system, a system which involves about 300 people, changing the status of these people, some of them entrenched civil servants of 10 to 15 years with their tenure and all of the rights and privileges of civil servants and putting them under a Board of which he will be Chairman and relegating them to an existence which will be tenuous at best.

There is no way any decent, responsible representative of the people could sit in an august House as this and let that happen without objection. I do not know where he is going to get the help from and the support from but I am voting for this Bill because as a representative of the people I think that is my duty and any less will be an abnegation.

If that Member wants to do something constructive, if he wants to go down in the annals of this country as an able administrator, let Roy Bodden suggest what he should do. He should so structure his department that requests I have written and made on 3rd January, 1991, would not have to be delayed until 2nd October, 1991, to be replied to. That is the kind of thing he should seek to address. That is the kind of change that he should try to make in the bureaucracy so that when Members make requests they can be efficiently and speedily dealt with, not go off on some dream and some delusion of grandeur because he would like to be in charge of 300 civil servants so that he can embark on a get-even policy.

The proof of the pudding has been read out. The system is not going to work again because the very people who are supposed to be implementing the system are objecting to it. They are not convinced that it is workable.

There is an anecdote of a young ruler of a kingdom who, when he took over was disturbed because some of his predecessors were receiving too much homage and respect from his subjects so he decided that he would go to the square where the statues and epitaphs of these subjects were placed and where the old and the young gathered on a regular basis to pay respect and to talk of better times. He had all of the statues and epitaphs removed and replaced by one gigantic effigy and statue of himself. But lo and behold when that was done the citizens stopped congregating at that place and so the purpose for which he thought he was affecting a statue and building himself a perennial reputation, failed because the people simply found something else to do.

I hope that the Honourable Member is not planning to adopt or erect any effigy or edifice at the expense of our people which will be used to gratify any ego or egos that he may have.

Madam Speaker, I am brief but I wish to make two important points before closing. The first is anyone who has an iota of common sense will understand, after undertaking a trip up to the proposed new Hospital site, that that cannot work because it is swamp, morass an unfillable site, fit only for jungle habitation. So the whole notion of improved Health Services is on a foundation which cannot be filled in.

The second thing is that it is becoming increasingly clear that the Elected Members of Executive Council when they get up to reply to motions brought by Members on this side, are adopting an increasingly belligerent tone and they like to poke fun, especially at those whom they consider less learned than themselves. The only thing that I have to say to that is that those of us on this side, at whom they poke fun, were put here by the people. We have as much right to be here as they, the Elected Members of Executive Council. In short, some of us have more right because there were those of us who came here by landslides and some of them only scraped in by four votes.

The second point is that I am sure that no one in his right mind,

if he had control of all the forces, would be ignorant. I hope that I have put that budding bad habit to rest.

Madam Speaker, I think that this is a worthy motion. I think that it was brought not out of a sense of political expediency but out of a sense of political responsibility. And since it becomes increasingly clear that the seven of us on this side, who are collectively known as the Backbenchers, have a growing and increasing responsibility to save our people from those who would take off, motivated by delusions of grandeur, on expensive projects. I guess we have to keep our cudgels up, keep our shoulders to the wheel and keep on plowing.

This is a worthy motion and it has the support of the First Elected Member for Bodden Town as it does from the other Members of us who are called Backbenchers.

MADAM SPEAKER:
would like to reply?

If no other Member wishes to debate, may I ask the Mover if he

MR. W. McKEEVA BUSH:

Thank you, Madam Speaker.

Madam Speaker, I knew that this motion would suffer the same fate that the motion yesterday on the Port fees suffered, that they would defeat it and while defeating it they would become nasty because they could not refute the accurateness of what I produced.

Madam Speaker, two Members of Executive Council spoke and there is quite a bit for me to answer. The Member for Education was shortest and I think I will deal with him first. He was not going to speak long because he felt that his colleague had done such a good job in tearing the motion to shreds. But did you ever hear anyone get so hot in such a short time? I cannot understand it. If there was no argument for him to make what did he get so hot about?

I know why he was hot. He was hot because his record is a dismal failure while he was the Member for Health and the problems, in truth, to the Member for Health are the problems that the Member for Education sat for four years on and did nothing about. That is the fact of it.

All of these problems did not arise overnight, it is true. The Member for Education admitted or he said that the system that we have, the health system, is outdated and outmoded. Is it really our system? Is it really the system that is so bad? Or, is it because we have continuously had one Member after the next for a running eight year period who have their own agendas set and try to work outside the guidelines of a tested and proven system? All that was needed to have been done was for them to get off of their ends and do the right thing.

Sometime ago the building according to them, was so run down that they immediately needed some money to do something about it. Money was given to them by the House but did they do anything about it? What have they done with the amount of money that we voted for them? It is not health care that the Member for Education and the Member for Health want. It is a monument to themselves and the rush today is to have something in building-wise so that they can get up next year and say, "I did it." That is the true sense of it and in the meantime the Member for Health is getting his spite out on those people he has so had it in for since he was forced to resign from the Hospital. I did not force him to resign.

As I said, in the Member for Health's great dissertation about no changes being needed he failed to mention the one thing that everybody is afraid of and that is that he is in charge. He could have summed up with, "They do not want me to be in charge." And that is true people are scared of him.

The Member got very personal and he called me a grass cutter. So what! I am also a realtor. We also do other maintenance work. But do you know what? It is all an honest living. I do not care what they want to say, I have been taking those kinds of licks ever since I came on the political scene. Yes, I have a maintenance business maybe some of them should give me some instead of hiring outside people.

Let the be-knighted eunuchs say what they want to say. I did not tell anybody that I had a college education. No, everyone knows where I come from but do you know what? Maybe if they had changed the Law for me to be the lawyer that I wanted to be but did not get the opportunity, as they changed the Practitioners Law to allow someone that did not qualify to practice to be a pharmacist, then I might have been a lawyer.

That is enough of that, Madam Speaker.

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

MADAM SPEAKER:

Honourable Member, it is now 4:30 p.m.

MR. W. McKEEVA BUSH:

I am in the hands of the House. I could go on.

MADAM SPEAKER:

Moment of Interruption.

MR. W. McKEEVA BUSH:
Speaker.

I could finish this afternoon. It is up to the House, Madam

HON. THOMAS C. JEFFERSON:
Madam Speaker. I am not quite sure whether to move the adjournment or to let him go on but....

I think there are two of us that are in the hands of the House,

MADAM SPEAKER:

If you want...

HON. THOMAS C. JEFFERSON:
he will take.

...I think he needs to give some indication of exactly how long

MR. W. McKEEVA BUSH:

Oh... That is difficult.

ADJOURNMENT

HON. THOMAS C. JEFFERSON: I would suggest that we adjourn until tomorrow morning. I so move that we adjourn until 10:00 a.m. tomorrow morning.

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:
tomorrow morning at 10 o'clock.

The Ayes have it. The House is accordingly adjourned until

AT 4:31 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., FRIDAY, 11TH OCTOBER, 1991.

**FRIDAY,
11TH OCTOBER, 1991
10:07 A.M.**

MADAM SPEAKER:

Prayers by the Honourable Member for Tourism and Trade.

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.

MADAM SPEAKER:

Please be seated. Proceedings are resumed. Private Member's Motion No. 17/91, the First Elected Member for West Bay continuing his reply thereto.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 17/91

DEFERMENT OF IMPLEMENTATION DATE OF THE CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

(Continuation of debate thereon)

MR. W. McKEEVA BUSH:

Madam Speaker, thank you.

Yesterday afternoon I was dealing with allegations made by the Member for Health against the Resolution. He said that the Resolution was not based on facts. That was the first point. The next point was that the health care is not suffering, the present facility, that is, and he said that there were many false accusations in the Resolution.

I am going to go on this morning to show this Honourable House why I, the Seconder of this motion, and the Members on this side (I believe) feel that this Health Authority is being pushed ahead too fast and that it is causing severe strain presently and it is going to cause irreparable damage to the health care in this country.

First of all, I would like now to deal with this thing about civil servants being the blame and I believe he phrased it, the hiring of an agitator. I will come to deal with that in due course, but first of all I want to deal with this thing that the civil servants in this country are the worst people in the world and he cannot get anything done because of the civil servants.

That is the argument he put forward yesterday and not only yesterday, but the Member and other Members of Executive Council have been using the civil servants of this country as scape-goats because they are trying to by-pass public accountability. I am going to deal with all four of them at this time, not in detail, but my reference is going to be to the four of them because they are collectively responsible for the actions of each other.

The behavior of the Members of Executive Council is unacceptable to me and disturbing to most people in this country. It weakens the whole governing system at a time when strength in this country is most required because of the problems facing the country. The Executive Council must realise that it takes the whole Civil Service, which is responsible for the carrying out of policy. I have listened to the Member for Health, and education is a good thing but one who has just enough to be able to twist and turn where other men walk straight is a bad thing. Dangerous thing but that is inbred in the Member for Health.

They would like us to believe, and especially him, that he never

does anything wrong and his gross failures are due to Public Servants. As I said, there is too much shifting of responsibility. There is too much evasion of responsibility while using the civil servants to take the blame for them. If he cannot get a road built, you hear it is Donnie Ebanks, who the Member for Communications and Works blames. If something goes wrong in Education, you hear it is Oswald Rankine or Leonard Dilbert. If something goes wrong in the Member for Health's Portfolio, you hear it is the Hospital Administrator, the Chief Medical Officer or it is somebody in the Social Services, but you never hear them saying, "I take responsibility for this because I told the civil servants to do it this way."

When they are gallivanting or tending to their own business and lose face in an argument over a public or a policy decision, as they have with the present issue before the House, they resort to diverting the truth and blaming civil servants.

The Member for Health, in particular, runs his Portfolio as if he has no one to answer to. I am not disputing his capability to hold a meeting. He has certainly held a lot of meetings but when he holds one it is not to get advice, it is to tell the civil servants what he has done. His actions then are not the result of his taking advice or concern, or his actions are not the result of consensus of opinion but rather on his own dictatorial policies and style. This was very evident when we brought his Principal Secretary into the Public Accounts Committee and questioned her on the scandal with International Healthcare Corporation. The Member mentioned IHC yesterday and I am going to deal further with that also.

We asked her why the Member was authorising money to be spent instead of her? She said she told him but he did not listen to her. This was the case when they had a drunken dinner party with some of the consultants they brought in and the evening was light-headed with the consumption of Margueritas.

Then when we questioned his Principal Secretary on the failure to openly and competitively gain contracts, she said she had told him she was concerned and he would not listen to her. He brushed aside her advice. What was the result? In the end hundreds of thousands of dollars was given to a company which, to say the least, is questionable and one in which a former lady Member of the House admitted she was promised commissions and whose postal address was used for the same company. His Principal Secretary warned him, she told us so in the Public Accounts Committee, but he did not listen to her. Why? They blame civil servants. It is not the civil servants.

In the same issue the principal of the same company, Jim Conti, used Government money to pay for the trips of family members to these Islands who had nothing to do with the consultant's work supposedly going on at the Hospital. When the Hospital Accountant, the Chief Medical Officer, at the time it was Dr. Payne and the Administrator, the three main people controlling the Hospital, complained about it and questioned the integrity of the bills, all hell broke loose.

The Accountant General had to step in on that occasion. What happened? What was the result? The Member for Health attacked all three of them from the floor of this House and he did not only attack those three civil servants, he further attacked and denigrated, as he did yesterday, the Auditor General because the Auditor General instigated an investigation against him and his actions. In the end, the Chief Medical Officer, Dr. Pain, and the Hospital Accountant, Mr. Randy Dounce, finally left the Island because they could not work under the Member anymore. They did not bother to renew their contract or so I am told. But I have to wonder how much pressure was put onto the two of them because they refused to go along with the Member's plans. He, whom the Member cannot control, he destroys.

The point I am making is that he did not listen to any of the civil servants.... I see the Member leaving the Chamber, I wish he would sit down because I have some more things to say that he might want to hear. He did not listen to any of the civil servants under him. He did not listen to the Principal Secretary, he did not listen to his Hospital Administrator, he did not listen to the Hospital Accountant and he did not listen to the Chief Medical Officer.

What he is so hot about is that they are doing their jobs. It is not that they are incompetent as the Member for Education and himself would like you to believe. No. They, to the contrary, have been exposing what is going on in the Portfolio and it is a pity that some of the Principal Secretaries and some of the other Heads of Department did not have the guts to do the same, but they are afraid.

I am sorry for the Civil Servants in this country. I am sorry for them, and before I end on this matter, I am going to say something about the Constitution because what you see standing here today is a very worried man, when it comes to what is going to happen in this country with civil servants. So the Member gets up and blames the civil servants. He said they do not want to work with him and they go out and hire an agitator, who, he says, is me. Well, nobody hires me. All of us are paid quite well these days to do our job. Thank God, that I can get some information, even if it has to come through the mail, to be able to agitate on. But I am not taking any bribe to agitate or any contract to be able to get payments from to agitate.

If things are not right, the civil servants are supposed to question it. When money goes down the drain and the public complains, the Members of Executive Council get up and blame the civil servant. So, why should the civil servants not question the Members' actions when they know that their Members are not right? Under the regulations and I believe that is a Civil Service Regulation and I believe that the Financial and Stores Regulations say that if they are not questioned, then the civil servant is held responsible. And that is the British system of checks and balances the Member for Health and the Member for Education would like us to destroy.

Talking about Colonialism, it is not Colonialism that they are worried about because they have been involved with it for sometime. I know that in their heart of hearts they want to change the system completely to where they can control as they are attempting to do in the Health Authority. But, by God, they are going to have a fight on their hands. This is not going to be like the Finance Committee! They managed to change that but they are not going to do some of the other things that I know that they have plans to

do.

What the British system is based on is public accountability, even though some people disagree with it. Public accountability is the foundation stone of expenditure and it is this public accountability that the Member is trying to ward off. That is when he tells you, Madam Speaker, that he cannot work under the British system up there. If he cannot work under the system, he should not have taken the job of Executive Council Member. He should have stayed on this side if he is unwilling to abide by rules and regulations which have proven the test of time. And when we put it all together, people say, 'Look, the civil servants have their faults, but they are not the worst ones.'

We have had a good Civil Service all of these years. We heard things by the way, but never was anything able to be proven. We have a good Civil Service but it is because some people in the Civil Service stand up at times and say, "Look man, you cannot do it. This is not the way it is done.". Public accountability is what the Member for Education and the Member for Health do not want and maybe others, I do not know. They kept their mouths shut in this instance but they are guilty by association and they are guilty by the Constitution.

This reference to Colonialism does not surprise me coming from the Member for Health because he is the one the papers reported as saying he wanted a full ministerial system and when you get to that position you are not far away from independence. But they would tell you that somebody else wants it.

The British system is working well, all we need are good people to work it and we have good civil servants. I hope that come the next election they will have good managers above the civil servants, meaning good Members and I am going to attempt to see that the country gets some.

The Member for Health and the Member for Education, in their dealing with the civil servants talked that the civil servants are protected under the Health Authority Law. This Law, which I voted against, should be thrown in the garbage pan because it is unclear when it comes to what is going to happen to the 300 civil servants. You are not dealing, as in the case of the Port Authority which has some two, or three, maybe seven, civil servants that have been seconded, but we are talking about over 300 Public Servants in the most important area in this country - the Health Service - being put under the chairmanship of the Member for Health who says he cannot work with the British system. And, while I can cut grass, the Member could not run a pharmacy.

What I want to find out from the four Members of Executive Council regarding civil servants, is this: If things are so bad with the Civil Service, if the civil servants are so poor then, under the Constitution and under Civil Service Regulations, His Excellency the Governor has the right to remove these civil servants that they claim are hindering them.

Now they have been working, in the case of the Member for Education, for eight years he was in charge, with the same civil servants. He went through an election where we cleaned up. You did not hear a cry about anything and in the case of the Member for Health he is gone nigh three years now. Next month will be three years. Why have they not taken steps to remove these civil servants? Do you mean to tell me that if things are so bad with the civil servants, that they cannot get the Governor to move them? I doubt it. I do not think the Civil Service is that bad. Under the Constitution, the Governor (who appoints them on the recommendation of the Public Service Commission) can dismiss them. He has full authority. While he is not in the House, the Honourable Third Official Member is answerable to the Legislature and the Member, if I can say so, is quite capable of answering and making a decision.

So, the four Elected Members over there are not doing their jobs when they tell you that the civil servants are hindering them or hindering policies in this country. It is not the civil servants, it is them (the Members) wanting to handle everything under them without abiding by the provisions set up in this country, namely, the Audit and Finance Law, the Stores Regulations and the Civil Service Regulations. Those three things are their Waterloo. As we say in West Bay, that is their "cocoa tea". So, there is a lot. While the Law says that the civil servants, the Officers, will be seconded, it is very unclear when you read the whole thing what is happening and this is what Members up there are complaining about.

Let me make absolutely clear that it is not the civil servants. I am proud of them. I would say that what probably is happening is that we have a young Civil Service and maybe if there is any fault it might be in that, but I am not making judgment on their capabilities. One thing we must say for the civil servants is that they have done well and they are better educated than what we had in the past. I am making no aspersions on anybody, Madam Speaker.

I have always defended the civil servants because I recognise that the country needs them. They have done well for the country. All they need is some assistance from the Members. But they are so caught up in politics, they are so caught up in their own business, they are so caught up with making contracts, they are so caught up with selling our land and they are so caught up, like the Member for Education, with destroying facilities when he can not have his way with it either like our football field.... You know what they do? They blame the civil servants. Madam Speaker, the Member for Education stood there yesterday (and I had to listen to him last night on the radio) and told this House that the volleyball court in West Bay had only been started a few weeks ago. It had been on the way since May. He said it would be fixed in another few weeks. It has not been yet fixed up until last week Friday, when I checked it.

The Members are doing their jobs. That is the clearest one in this country. Do not blame the civil servants. Let them get off their ends and work for the \$60,000 that they make per year.

To end this thing I am going to say this, when the Commissioners recommended that political control be given in the case of the Public Service Commission, what I heard yesterday and what I have seen evolving over the last couple of years, especially with the four Members in

Executive Council, I am not going to agree to it. I am not going to agree to put the Public Service Commission in the hands of people like the Member for Education and the Member for Health. I am not going to do it and I am going to fight it every step of the way and I mean if I have to hold separate public meetings by myself to do it, I will do it because that also is the cornerstone of the Civil Service. The Civil Service is the cornerstone of this country.

They are out there making the civil servants get a bad name. They are out there giving the civil servants a bad name. Telling people all sorts of things. It is not the civil servants, but it is them and it is time that they be exposed and that is what I am doing.

When it comes to this talk about agitators, I have a duty to do. In this House I am supposed to expose. You know what, Madam Speaker? They instruct! They instruct their Heads of Departments not to talk to us unless they talk to them first. Can anyone of them deny it? They cannot. They cannot deny it because it is the truth. I am going to talk to the rest of the Backbenchers regarding this issue. I am going to lobby their support against that move to politicise the Civil Service Commission where they can appoint Members. I do not know what they are going to do, I do not know what the Member are going to do but I have made up my mind that under the prevailing circumstances, knowing what I know in this country, they cannot get my support for it. You can believe that.

It is time, and what I might agitate for is an early election because this country will not last for a year longer under that kind of leadership. If anything needs to be done, if there are any changes the Governor needs to do, he needs to ring the bell now because this country is in a precarious situation when it comes to finances and I want to talk about that also with their projects.

I should say publicly when Mr. Gordon Baker came here the other day, he said, "Now the Foreign Office is concerned about finance in the country." They have a right to be. I think I have said enough on that.

Yesterday, the Member for Health made some disparaging remarks concerning doctors in the country. I guess at this point I should deal with what he said, that I had said, after just sitting down and listening to me, he twisted it around. Yesterday, the Member made a reference that I had said that he was stopping them from making money. I just cannot seem to find my notes on it and I would not like to misquote the Member so I will bypass that one. Yesterday the Member talked about and made disparaging remarks on the Cayman Islands Medical and Dental Society.

He tried to make it sound like they had no real interest in making a substantial and valuable input into the Health Insurance matter and the Authority. That is not the case. And he misrepresented, as he usually does, the issue and he misrepresented the Medical and Dental Society.

I got a call this morning from the President of the Society and he asked me to clear up the matter. What he said was that the Member for Health invited them to meet with him. He said that happened and they listened to him and he gave them draft copies of the Health Insurance Bill. He said that they perused the draft and after the Society found so many shortfalls and flaws they decided, rather than writing the Member concerning every item, requested him to have a meeting because they felt a verbal meeting where everything could be discussed more extensively rather than in a letter, was necessary. They said that the Member has scheduled a meeting.

He said they did not want to put it in a letter because they are very concerned and want to be able to make a sensible contribution. But, they listened to him and the way he carried on sounded like he did not want to be of any assistance. So it is not only McKeeva that he tries to twist around about, it is the other people in the country that he has to deal with.

In connection with the Health Authority, the Society has sent a statement to me and to the Members of the Legislative Assembly and I want to read what they say in connection with the Health Authority. It says and I quote:

"The Cayman Islands Medical and Dental Society had the privilege to peruse the initial Health Authority legislation draft in April of this year. The Society was very concerned about the limited time that it was given to study such an important document. Notwithstanding input was received from the entire membership and this was conveyed to the Honourable Member for Health and Social Services.

Unfortunately, the Society was never given the opportunity to see the final draft of the bill before it was presented to the Legislative Assembly in June of this year.

We are happy, however, that at least two of our recommendations were taken and the necessary adjustments were made in the final analysis.

This Society did support the concept of a Health Authority but certainly disagrees totally with the way it has been implemented. The composition of the Board differs considerably from what we had anticipated after promises made by authorities concerned.

We now have grave concerns about the efficacy of its operation. We strongly recommend that major changes be made before the Board begins to function and a delay until April, 1991, seems an intelligent move.

Signed by the President of the Cayman Islands Medical and Dental Society."

Those two issues noted in this statement were the licencing

issue and the Member changed that and he also changed his mind and put on the Chairman of the Medical Staff Association on the Authority. These are the two changes he listened to and complied with but he made no other change they wanted. He did not give them the final draft which came to the House. He only gave the first draft to them in April and we came to the House in June. These are important things that affects not only the doctors, but they affect patients in the country, everybody is at stake in that thing called the Health Authority. So it was evident that the Member was pushing from then.

The other thing that the Medical and Dental Society has complained about is that there are no regulations. The most important aspect of that Law is the regulations that will work it. No regulations have been given to them, they have not seen any. And another important aspect of the Health Authority, they did not see any working guidelines for the Authority and the Member has a whole lot. See it here, Madam Speaker? Working Guidelines for the Authority. He has everyone of them but he would not give the doctors or the Medical Association any.

They complain now about the bureaucracy which is set up by these guidelines which he did not tell them anything about. They said that yes they agreed with the concept because they felt that it would be less political and decisions would be made purely on medical/clinical and sensible financial grounds.

Nobody is casting any aspersions on the membership of the Authority but the doctors do make sense when they say that they thought it would be less political. It would have been easier working but they see now that the Health Authority created by the Member is a vast bureaucracy in itself, a government in itself! A political machine! It is serious to even think about what that Member will do as a member or as chairman in full control.

I think this House should pay heed to this resolution, hold back the date of coming into effect as at the first of the year, give it another three months or give it until April where people will know exactly what their position is. I do not know if the concerns of the staff has yet been or will be able to be addressed by those people now responsible for the staff. That is the Portfolio of Internal and External Affairs.

You are dealing with 300 people and it is not just easy to say in a Law, or it is easy to say in a Law, they will be seconded. But the full ramifications and all the inside workings have to take place. You are not dealing with the Port Authority with two or three people. Furthermore, on the Health Authority, there should be wider representation. I am casting no aspersion on any member there. I know everyone of the members appointed and I have always held them in high regard. Never, ever have I had a wry word or any cause to have any conflict in differences with them.

I believe that the Member should look again at how the Board is constituted. He has put the Chairman of the Medical Staff Association on that but that person has no vote according to what I can hear. The Chairman of the Medical Staff Association may be able to sit on the Authority but will not have a vote.

The Administrator of the Hospital, I believe might be able to sit on it but will not be able to cast a vote for or against any matter that affects the Hospital. That has to be crazy and I believe that the Chief Nursing Officer, should be on that Association, why not? No, the Member for Health believes because he says he has some kind of degree in something to do with it, that he knows all about it. This country is going to find out how much he knows when he gets through with us.

The Member for Health said that there are no problems at the Hospital. The only problems are the civil servants. He said that the motion is not based on fact when he disagreed with all the preamble. He said that it is not based on facts. I want to deal with that because that Member tries to make everybody a liar. While he does not say that, that is the gist of his argument.

I want to read for this Honourable House from a copy of some Minutes of a meeting held by the Senior staff sent to me in the mail. The Member says that there is no need for concern and I am only doing this for political reasons. The Member for Education talked about political expediency, both of them talked about political expediency. I do not play politics with a serious issue like health in this country. When I bring a motion to this House, I have good reasons to bring it. I have good reasons to bring it and I want to take time out to read for the House the matters addressed in these Minutes.

Present at that meeting were all the Senior persons at the Hospital. The same people who I believe signed that letter yesterday that was read in this House yesterday.

"Those present were:

Sister S. Henriques (Spokesperson)

Mrs. P. Wesley

Mrs. M. L. Gallegos

Miss H. Walkowiak - (that surname escapes me but I believe she is the Chief Pharmacy Officer up there)

Mrs. J. Hislop - the genetic councillor and medical social worker at the Hospital and daughter of the Member for Education.

Sister Mrs. E. Reid (CNO)

Ms. B. Glasgow - Superintendent of Operating Theatre

Mrs. S. Dinspel

Dr. Vivek

Dr. M. McIntyre

Dr. F. Robertson

Dr. A. K. Kumar

Dr. J. Clague-Moore
 Mrs. Y. Miller - I believe who has to do with records
 Mrs. T. Ranson
 Mrs. C. Gomez - the Lab Supervisor
 Mrs. B. Whitewell
 Mr. J. Carter
 Mr. M. Conolly - the Hospital Administrator
 Ms. S. Hydes
 Mrs. L. Walton-Ebanks
 Mrs. O. Ebanks
 Dr. G. Smith
 Dr. S. Simon
 Dr. Raju
 Nurse J. Solomon
 Mrs. Megan Saunders

The Chief Medical Officer, Dr. B. Martin-Smith and the Principal Secretary (H&SS), Mrs. J. Basdeo, were also present at the request of the senior staff."

The concerns expressed started by, "Doctor G. Smith co-spokesperson for the group said that the Senior staff have had many problems and issues that needed to be addressed. The staff was of the opinion that the necessary support and presence of the Chief Medical Officer has been badly lacking."

He said the, "discussions came to the point where the CMO had highlighted his lack of concern for Dr. Beecher and his problems and, in fact, for the administrative problems of the doctors.

Dr. G. Smith then gave a list of problems which other senior staff had experienced. These were:

- a) Lack of communication
- b) Victimisation
- c) Lack of feedback
- d) Inadequate attendance and scheduling of meetings
- e) Lack of clear and reliable response to questions
- f) Lack of proper decision making and high-handedness when decision are made
- g) Misrepresentation of management
- h) Overriding of standard protocol
- i) Mainly concerned about the new hospital - preoccupation with the new hospital plans with little or no attention being paid to the present hospital and its concerns
- j) Lack of knowledge of various aspects of the health services
- k) Lack of communication to staff re: Health Authority Act

The Hospital Administrator, Mr. M. Conolly voiced his concern on the lack of communication regarding the Health Authority Regulations and the Health Insurance Act. He said that for the past eight months he had been approached by many senior officers who were also concerned about this. Up until this point, he had been informing them that they were being formulated, but he did not feel that this excuse was still valid. He felt that at this late stage, these regulations should be available for staff input. The CMO stated that to date there were no regulations set out."

Madam Speaker, that is not true, that is not true because we, the Members here, know that we have regulations.

"Mr. Conolly also stated that information on the Health Insurance Act (HIA) should be available. Regarding the HIA, the PS said that there had been a limited number of copies available. Mr. Conolly reiterated that it was the responsibility of the CMO and the Portfolio to make these documents available to Senior Management and other senior staff."

Madam Speaker, he is very correct. We have those regulations. This meeting was held on September 13th, the bill was passed in June. So what are they doing? Is it the civil servants who are to blame for this? No, Madam Speaker, the regulations are held up to suit what the Member

intends to do and I bet you, that if anybody gets them they will be after January 1st, when he is in control.

"Record Supervisor, Mrs. Y. Miller, referred to a recent incident where the CMO had given permission to a lawyer to photocopy a patient's docket. The lawyer had subsequently sent his secretary to carry out the directive. She found this very strange as this is not standard policy. The CMO replied that she should not believe all that she was told and tried to imply that this matter was insignificant. Mrs. Miller then relayed another incident where the CMO had given permission to release a copy of an autopsy report of a Coroner's case. She questioned this action as these reports are only released by the Coroner himself. This protocol was verified by Dr. Simon, the Pathologist.

Purchasing Supervisor, Mrs. O. Ebanks, relayed an incident where an order had been placed with a company in Miami by a surgeon who had not yet taken up service in this hospital, without following normal government procedures for ordering supplies. The Purchasing Supervisor came to know of this order only when the suppliers began to call her repeatedly for confirmation. The CMO gave an unacceptable explanation for his giving permission to place the order. Mrs. Ebanks reiterated that her main concern was that the proper protocol had not been followed (funds had not been budgeted for this but was still spent on the CMO's approval)."

Madam Speaker, this is good to what will happen after January 1st, when the Member for Health and the CMO, who he controls, is going to have full control of the health services in this country.

"Laboratory Supervisor, Mrs. C. Gomez, expressed concern for lack of feedback from the CMO's office. She gave an example of a matter which had been pending since April. She also voiced her concern about the Health Authority saying that following a meeting to discuss the Bill earlier this year, staff were told that that was not the final document. Since then there had been no further discussions."

Yet, that Member came and told this House...let me get the *Hansard*, Madam Speaker. Here is what the Member said speaking on the introduction of the Health Authority on Wednesday, 3rd of July. And I quote him: "Madam Speaker, I am satisfied with the Bill before the House which has the support of the Cayman Islands Dental Society, which has the support of the Hospital staff, which has the support of the of my Portfolio...". Madam Speaker, if that is not a gross misrepresentation of the truth of the facts in this country to this Honourable House, you tell me. I should move a vote of censure against him and the whole Executive Council because the Medical and Dental Association have said that they did not see the final draft and here we have the Lab Supervisor saying that there had been no further discussion on it. They are not fit to rule and govern.

Even it is noted here about the very printing of documents where the misrepresentation of management had been taken place. The Chief Pharmacist, then gave here areas of concern. She said, that is the same one, Madam Speaker, that I could not pronounce too well, the surname. Anyway she is the Chief Pharmacist. She said: "The Head of Section meetings were no longer fulfilling the original objective which was primarily to provide a forum to discuss current hospital business including budgets and also managerial problems. The business of the meetings, now held infrequently, was now entirely concerned with planning for the new Hospital, the Health Authority, etcetera, this was leading to the neglect of the service presently provided."

This we hear from the Chief Pharmacist, yet the Member says my motion is not based on facts. What does he call fact, Madam Speaker? When he speaks it? That is the only fact, that is the only truth. This country knows him well and in particular this Member knows him well and he will turn and twist, "Oh what tangled web they weave when the first practice to deceive.". Another matter brought up in that meeting was about the lack of disaster preparedness meetings and management involvement.

"Dr. Kumar stated that it was the responsibility of the Hospital Administrator to coordinate the hospital activities. Sister Conolly stated that the disaster manual stated clearly that the CMO is the Chairman,, however, she was referring to meetings at the National level which is then passed on to the Health Service.....Sister Conolly explained that other departments had had their meetings and that to date the CMO had not coordinated any disaster preparedness meetings for the Health Services. She expressed her concern regarding our response should a major disaster occur.

Dr. Vivek agreed with Sister Conolly, after receiving permission from the Spokesperson and Mrs. Basdeo to speak. He went on to say that he had been in this Hospital for seven years and has worked with four CMOs. The system of disaster preparedness specifically organisational/coordination/meetings, had totally broken down this year. From his experience in the past, all doctors, irrespective of their title, were involved as part of the team. He expressed surprise that we were half-way through the hurricane season and were so poorly prepared."

Madam Speaker, do not tell me this is not cause for concern. The Member is not doing his job. This is something of utmost concern for this country called Disaster

Preparedness. If it was something, a new programme being implemented he would have had it on the front page of the *Caymanian Compass* with him in the front shaking somebody's hand or drawing some curtain or looking at some garbage bins. Or handing out some check, but this is Disaster Preparedness, something that has been going on in this country for a long time and something that a country has need of at all times. And what did they tell us?

"Dr. Vivek went on to speak about victimisation. (and he had the Principal Secretary's permission to speak). He said that he felt that even when he spoke in an appropriate forum, if his views differed from the CMO, the CMO would become hostile in response. He went on to say that the CMO's attitude and behaviour prior to the start of the meeting was a classic example of this high-handed attitude and vindictiveness. He went on further to say that he felt that it was inappropriate to invite people to meetings if there was to be no discussions.

The Principal Secretary stated that she had listened very carefully to the discussions, but reluctantly had to leave. She advised, however, that the meeting should continue with the CMO. Before she left, Mr. Conolly and Mrs. Reid re-emphasised that with all the changes which were rapidly occurring, the staff were unable to keep pace and properly analyse the impact of these developments on the service. They advised a slower pace so that staff could have the time to consider the new proposals and offer suggestions or support for the changes."

Madam Speaker, is that not reasonable? These are reasonable people, both of them are well qualified in their field and this is what my motion is all about. Let us take some time, but why does he want to rush? I will deal with that in due course. "Discussions again returned to the lack of Health Authority Regulations and the CMO stated that neither he nor the Member had regulations to give the group." Madam Speaker, for the record again, that was said on Sept. 13, and Members here had the copy of the Regulations since June.

HON. D. EZZARD MILLER:

On a Point of Order, Madam Speaker. The Member is misleading the House.....

MR. W. McKEEVA BUSH:

Well, I do not know what he is talking about, misleading the House. Explain!

HON. D. EZZARD MILLER:

The only Regulations that exist were prepared by the Hospital Administrator which is a copy of the fee structure that exist under the 1974 Health Services Act and they are not Regulations at this point because they have not been approved by Executive Council. So to say that the Regulations exist which the staff do not have is not correct.

MR. W. McKEEVA BUSH:

Well, Madam Speaker, again the Member is playing with words. He gave us a copy, it is somewhere here in my things of Regulations saying that they were the Health Authority's Regulations. When we get a break, I am going to find it and I hope I have the letter that was sent to me with the Regulations because he said it was the Health Authority Regulations. You are the biggest misrepresenter of the truth that ever came into this House! And you should resign!

MADAM SPEAKER:

Honourable Member, please address the Chair.

MR. W. McKEEVA BUSH:

Yes, Madam Speaker, I am sorry. I am addressing you but I am really looking at him. I am sorry about that.

"Genetic Counsellor, Mrs. J. Hislop, requested that the CMO make representation on behalf of the senior staff, to the Portfolio regarding the new Hospital, the Health Authority and the new Insurance Scheme. Staff felt that too much was happening too fast and that they were not given the opportunity to contribute adequately. The Spokesperson stated that the group knew where it was proposed that the service should be headed, but there were no directions on how to achieve these goals."

That is the Genetic Counsellor and Health Social Worker. Madam Speaker, they call me an agitator, a "hired agitator", I believe he said. I think the world understands who Mrs. J. Hislop is. Certainly I do not even speak to them. But, she is a qualified person, she went away and trained and she is making sense here when she is asking the CMO to do this. She has to work the system. "The Chief Nursing Officer expressed concerns in regards to the treatment of staff when their opinion differs from the Member's. She cited the experience she had earlier in regards to the training, implementation and operation of the Ambulance Service. It was her opinion that the Ambulance Supervisor and herself were victimised for their professional opinion on the operations of the service which was supported by the management group."

I hope he listens to who is saying this. "She also brought to light the fact that at the time the CMO agreed that the Member should not have said what he did in the Legislative Assembly and the Member owed them an apology of which he assured her would be forthcoming." I wonder if he has apologised as yet?

"On the other hand, he told other senior officers that he supported the Member's position as he was correct in his statement.

The CNO then went on to ask the CMO about the Organisational Chart which he had just passed out to the group. She explained to the group that the CMO had discussed with her the composition of the Health Service Management structure earlier and the chart which the group was seeing was different from what was discussed with her. Mr. Conolly confirmed that he had seen the chart but thought it was a discussion piece, and agreed that subsequent discussions in management did not follow the chart he saw. Dr. Kumar confirmed that he saw a chart which was different from the one presented today. The CMO stated that he did not agree fully with the chart but that the chart originated from the Member."

"Ah, hah", we see who it is directing whom, Madam Speaker.

"The CNO questioned then why the chart was in the CMO's handwriting. He did not respond to the CNO's question but went on to say that he agreed that the CNO's post should be responsible to the Hospital Administrator and not the Chief Executive Officer as other heads of departments had been assigned."

That is the chart of the organisational structure of the Health Authority.

"The CNO explained that here main objection to the chart was that the responsibility of the CNO was much greater than the administrator of the hospital and this was not identified on the chart being presented at this time. She opined that this was a demotion of the post of CNO and an insult to herself and nursing staff in general. This sentiment was echoed by all members in attendance at the meeting. She also voiced concern that despite a promise from the CMO that there would be nursing representation on the Health Practitioner's Board (HPB) and the Health Authority Board, none of this has been realized."

MADAM SPEAKER: Honourable Member, are you coming to the end of the Minute, because it has been rather lengthy. I think sufficient points have been raised therein, and there is no necessity for reading any further.

MR. W. McKEEVA BUSH: Well, Madam Speaker, let me say that I think the Minute contains a lot of other points and facts that would clear up the misrepresentations of the Member for Health, yesterday. I was just on the last page but if you say I should stop, I will.

HON. D. EZZARD MILLER: Madam Speaker, I wonder for the information of the House if the Member would be so kind as to table the document?

MR. W. McKEEVA BUSH: Madam Speaker, he controls everybody, let him go and get his documents. I am going to give you a copy, Madam Speaker, out of respect for the Chair but I owe this House no copy. I will give it to Members if I decide to do it, but under the Standing Orders, I am not supposed to give any document. He is supposed to give documents under the Standing Order!

HON. D. EZZARD MILLER: Madam Speaker, in that case I will Table a copy of the document so the public can have it in its entirety since it has not been read in its entirety.

MR. W. McKEEVA BUSH: Well, Madam Speaker, I have one page left, if he.....

MADAM SPEAKER: I think, Honourable Member, that our Standing Orders are silent, although *Erskine May* covers it quite a lot and we have been in the habit of producing documents for Members which have been quoted extensively. I think I would ask that that procedure should continue.

MR. W. McKEEVA BUSH: Madam Speaker, I do not want to take objection with you, but I know my Standing Orders and I have looked through *Erskine May*. Madam Speaker, if you say to do it, I will bow to your ruling, but I..

MADAM SPEAKER: I have said that, Honourable Member.

MR. W. McKEEVA BUSH: ...but I am not obligated to do so.

MADAM SPEAKER: I have said that, Honourable Member, that is the ruling.

MR. W. McKEEVA BUSH: I said I would give it to you out of respect for the Chair, but everything in here is the facts but just so, I am going to give it to the reporter too!
Madam Speaker, I will not carry on with the Minutes, I was on

the last page but there were other things in here which the House will see. It is not the House he is worried about. He does not want the public to know.

have people to vote.....

You do not worry about anything because you know that you

MADAM SPEAKER: Honourable Member, I have already asked you to address the Chair and when you say "you", you are referring to the Member, please do not do that in future.

MR. W. McKEEVA BUSH: May I ask you a question, Madam Speaker? Did you not see the Member saying something to me?

MADAM SPEAKER: But I ignored it. I am asking you to do the same and to continue to address the Chair.

MR. W. McKEEVA BUSH: Thank you, Madam Speaker. That is all, what is good for the goose is good for the gander.

I have demonstrated quite successfully that the Member for Health has not told the truth to this House. He has continually mislead the House in his statements here about who was supportive of what and I have demonstrated that this Resolution before the House should go through. That should go through, Madam Speaker, and delayed, although I am not asking for it to be stopped. The motion should go through to give people time up there as they have requested of him. He should have brought the motion, not me! He should have brought it if he was concerned about the situations existing but he has no concern.

I think that the House can decide and the public will decide who is telling the truth because he said on one hand that he had their support and the Minutes say that he did not have their support. He said he had the Medical and Dental Society's support and their letter said they had only seen the first draft.

What is the rush? The rush is so that the Member can control.

MADAM SPEAKER: Honourable Member have you reached a point where we could suspend or will you be completed shortly?

MR. W. McKEEVA BUSH: No, Madam Speaker.

MADAM SPEAKER: Proceedings will be suspended for 15 minutes.

HOUSE SUSPENDED AT 11:29 A.M.

HOUSE WAS RESUMED AT 11:54 A.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed, First Elected member for West Bay continuing.

MR. W. McKEEVA BUSH: Madam Speaker, when we took the break I had read from the Minutes of that meeting held by the staff at the Hospital. I would finish on that by saying, I hope that matters will be straightened out there, that there will be no victimisation of staff. We on this Backbench will be paying close attention to what the next move of the Member will be and what the Member will try to do.

The Minutes which I gave you in the envelope, Madam Speaker, were sent to me through the mail. You have that envelope, you have those Minutes. Other Members received the same Minutes in the mail.

What is the rush? The rush to institute this Authority is so that the Member, as he said yesterday, will have full control. He cannot work under the British system so he has to have control.

I believe, Madam Speaker, that the Member is going to try to make borrowings under the Authority and I hope that those borrowings will come to this Honourable House. I want to point out to the House that this Health Authority Law does not make clear what will happen with borrowings. It says, that the Authority should not borrow without the written approval of the Governor, which means the Governor in Council.

I know also, that the Audit and Finance Law says that any borrowings by the Government or maybe major borrowings by the Government should have the approval of this House and I would hope that that is what is going to happen but the Law is very nebulous in comparison to the other Authorities set up by Government which sets out a specific route that any borrowings must take. This one does not. It says it will go to Executive Council.

I hope that when the Member attempts to borrow for that monstrosity he intends to build in the swamp, called a Hospital, that we will not hear from those Members of Executive Council what we heard about Cayman Airways when they embarked on that lease that has them in trouble and in court today.

We heard from them that it was no business of the Backbench. We could not do anything about it. They are in trouble. I hope that is not the route that the Member intends to go

with any significant or large borrowings for the Health Authority.

We know that the Member intends to embark, and this is why he is rushing this Health Authority, on this new Hospital which I believe the proper study has not gone in to. Contractors and people concerned with building say that that swamp that he is going to build a Hospital in, and I should say that we paid a visit there yesterday, it is swamp in the widest sense, Madam Speaker. I understand that bulldozers have sunk away in it, certainly when we went there the place is black mangrove swamp, full of water.

People in the business of land reclamation say that it is going to cost between \$3 and \$4 million to reclaim that land. He claims he is going to build us a lake, then you dig out the swamp you come to bed-rock. I do not know what he is going to do. I only hope that the right plans and the right time will be taken with it since I cannot stop it.

But, he is not going to get away with any less than \$3 or \$4 million to reclaim the land. The Hospital is not going to be built to what he is contemplating for any less than \$16 million. If we get away with \$25 million for that facility this country will do well when it comes to the actual expenditure but the cost for it is another story.

What the Member has not determined, or if he has determined it, he has not said to this House what the recurrent expenditure for the Hospital and its new facility or its new area will be. He has not told this House what the new recurrent expenditure will be. For that sort of facility if we are spending on the old facility \$13 million, I think he is saying, \$7 million or whatever the figure is, you double that for that new facility.

The present facilities which will need money for renovations and money will be spent on it, what he has not said to the country is what the recurrent expenditure for that facility will be. You know that he has this fancy talk about Ambulatory setting, but reliable sources say for what he is talking there, it is going to be, conservative figure this is, between \$4 and \$5 million for recurrent expenditure each year.

He has not said to the House or to the country what the estimated expenditure, capital and recurrent, is going to be for the split sites. Before the extensive work that is now being put in place gets to the point of no return, we should have a meeting with everyone concerned to understand the full ramifications.

In the debate on the bill I said that I opposed the Authority because it was going to create more bureaucracy and more costs to the country and I felt that we could get proper health care in a different way. As is evident now, by statements and complaints from the professionals within the health service, the whole matter will be one of being over administered with he has admitted some 15 committees already, and the people are saying that they cannot get anything done for attending committee meetings. 15 committees being created, that is just the beginning and all the new people he is bringing in. This growth in bureaucracy and number of persons will only divert resources which should be devoted directly to patient care. The rush into an Authority is causing time of professionals to be misspent and causing the present facilities to want for attention.

Efficient running of a Hospital depends to a considerable extent upon the decision takers being available when decisions have to be taken. And the main decision taker is the doctor in charge of the case and if the mad rush is taking up his time, then patients must suffer. This gets worse. If the Chief Medical Officer is so taken up with an unrealistic deadline for an unrealistic proposition, then chaos must exist. Confusion must exist in the chain of command if decision guidelines and other communications have to tunnel their way through intermediaries and decisions agreed upon are not backed up but rather exchanged. Then confusion and bad blood must be created. This is what is happening now at the Hospital and it bodes ill for our Health Services. Such conflicts can only result in unprecedented decline in morale as is happening in the professionals and other staff and as I said, there is clear evidence that this is the case.

The facts of the matter are that the creation of a large number of new administrative bodies to gear up and work this Authority is a severe expensive and unworkable answer to what the Member perceives to be a problem. The Member perceives every thing and every one in the Health Service to be a problem and is attempting to fix it his way and his answer is to dismantle the system and create one which he controls. For those who dare to question the workability of this monstrosity he victimises them by getting rid of them.

Where in the world do you find the minister in charge of the portfolio, in charge of the hospital, managing the board, managing sub-committees which could better be handled by a physician and generally being a nuisance? This could only happen in these Islands. The Member not only was not frank with the House about the Chairmanship of the Authority, he was not totally honest about the support he had from the professionals. Again, as evidenced by the minutes tabled in the House.

I told people this, I stood on the floor of this House and said so and it seemed that we were the only ones who believed this. People and some Members that gave him support, in fact the Medical Society, did not believe that he would stoop to the level he has in setting himself up in this Health Authority and I told them so.

I knew so, and that is because I know him. I know his agenda and he does not care about quality patient care, nor does he care about the other lives he is affecting. He cares about himself and the thought of himself as the only one who knows about the health care. That is evident if you look at some little booklet put together some time back about Health Insurance. He is the master at it, and nobody else, can set up a proper Health Service besides himself.

We all remember the story of Florence Nightingale. I am sure you do, Madam Speaker. Well, I should say, if Florence Nightingale was carrying her lamp through the corridors of the Government Health Services today, she would certainly be searching for the Member in charge because the situation is sick, sick, sick. We cannot allow our Health Services to become powerful political entities with all the

rights of patronage and privileges the people will give themselves.

The Member certainly does not have my support in his attempt to dismantle the system and put in place something which he says is modelled on Bermuda. I do not know if Bermuda is modelled the way he has it. He says this, that he has modelled this Authority on Bermuda's, but he has not tabled the Bermuda system in this House. The fact is, and I always say, get ideas but be careful how you try to implement them in this country. The fact is that the variations in the organisation and financing of medical care in different countries are the product of long established customs modified by long histories of development. Beneath these customs and histories are fundamental differences in attitudes and values that must be considered.

How does the Medical profession see its role and how is it organised? Trying to implement a Bermuda system in today Cayman is one of the reasons for the discontent and neglect in the Health Services where there seems to have been no impetus to restrain any unreasonable demand or to search out the most economical way of providing Health Services.

An efficient hospital is one which can provide the required standard service at low cost. The efficient hospital is not one necessarily run because the Member of Health has full authority.

While traditional, politics and values have all played a part in influencing the pattern of which health services are financed and organised in Cayman or in different countries, it seems to me that some governments and organisations have succeeded in altering these patterns and the intervention has been gradually extended as problems of cost, distribution and quality have become identified. Unfortunately for us, the solution, as suggested by the Member for Health, will not give us cheaper facilities. Service and quality is already affected by the in-fighting among the professionals due to the interference of the Member and the CMO. All in all, what we have to deal with now is a bubbling cauldron of unrest which will not be solved by the Member's usual high-handed manner of dealing with people.

The letter read by the Member for Education does not answer the concerns. This letter does not address the problems that were cited by the staff and in fact, one has to wonder when this letter was written and when staff got it or if they have yet? One has to wonder if it was written before they knew about my motion, but they should have said how long it took to get to this point where the Principal Secretary wrote on behalf of the Member. That is what they have not said.

The Member talks about a new Hospital and he went to town about it yesterday, how much he knows about it, what he can do from what he cannot do. But we have to look at the economics and the health sector has to be looked at as against improvements in other areas. There are two sectors, the economic and the health sector do not operate in isolation.

There are health effects on economic development, there are economic effects on health improvement and we are going to witness that not too far in the future. While I accept the need for improved health care, I certainly do not agree that what is taking place now, will give us good health facilities. I do not think that the proper planning has taken place and, as a Member in this country, of this House and responsible to the people, my objective for Health services is to have a good source of health planning so that we get the right quality provided at the right place and at the right time and that this is achieved at the lowest cost in real resources consistent with those ends.

It is a mistake to imagine that in a population of 26,000 people, a developing country such as ours, which is somewhat short of resources that would be needed to contribute to projects as has been embarked upon in this country, like educated manpower such as medical graduates, and a lack of funds available for such investment and no taxable capacity.

We say we do not agree with taxation. We are foolish to embark upon a plan mapped out without those relevant considerations. Bermuda's health system is very heavily subsidised by a levy, a tax if you may, on incomes and that is what the Member would not tell this country. He brought someone in from Bermuda who held a meeting down at the Radisson the other night and they hemmed and hawed when I asked them about how the system is run. He did not invite the *Caymanian Compass* to that because some very pertinent questions were asked. He brought somebody else in. Again, they did not even know the number of the indigent people in this country that will cost so much, Madam Speaker. Does he believe that Bermuda's policy by being subsidised by a levy could work or succeed in Cayman? We send persons overseas to Cleveland Clinic where cost is very high in comparison to some of the deals that are afforded Caymanians in other areas. For what reason, I asked?

It is my information that the Member is now planning to purchase an air ambulance. Does he feel it is a good policy for this country to try to compete in that area? If he is, he is drunk with the thoughts of grandeur which do not exist. Expenditures I am dealing with, Madam Speaker, and proposed expenditures. That is what I talked about just now. Money is not being efficiently spent.

Did you know, Madam Speaker, that the Health Authority offices are being built on the existing Hospital site to the tune of \$45,000? Why? The Chairman already has an office and conference room in the Government Administration Building. The CMO already has an office and a large conference room in the Hospital Administration Building. This is what I am talking about. This money could be better spent on patient care and facilities.

Why is it necessary to have a Medical Director to do the Chief Medical Officer's work? I understand the Chief Medical Officer's wife has a locum employment agency in Canada charging a \$1,000 finders fee and may I ask the Member, is this why all locums have recently been employed from Canada? Is this why the post of senior surgeon has not been filled, so that we can continue to bring locums from Canada?

All sorts of things are going on at that Hospital. He would like us to believe that everything is "hunky dory" but that is not true. The list goes on. This litany of madness continues

with the building being spread over acres and acres of swamp. There are other extravagances, all amounts to what I call a galaxy of goofs for which the people of this country will have to pay. We must be concerned about finance at this point. Where will it all end? Where is the money coming from?

While the Member for Health is playing Russian Roulette with our future, there are many other considerations for vast amounts of expenditure such as the Education Plan which is going to take millions of dollars - \$20 million over a few years. Then, there is the road sector which is going to take in one plan I hear, some \$30 million in a few years and which must be funded. Not to mention, Cayman Airways and the uncertainty that surrounds it with a possibility of millions of dollars to pay.

MADAM SPEAKER: Honourable Member, you have already mentioned that point, could we now get back to the subject of the Private Member's Motion, please? Do not repeat yourself.

MR. W. McKEEVA BUSH: Yes, Madam Speaker, the point is too often forgotten when this sort of important planning is left entirely in the hands of politicians and their friends who will benefit from the plans they dream up. A Law does not make a system, nor does a building give better health services. When all is said and done, what Caymanians want to be assured of is a better medical care for as little cost as possible. He talks about some plan. There has been no real plan in these matters.

Does he know what the average length of stay per bed in the country is? He should know by now that any excessive Hospital beds involves waste whether the extra beds are used or not. If they are empty, the Hospital is running at below capacity and then this is wasting its capital plant, if it is used for the necessary, costs are incurred also.

Hospital charges are usually based on average cost at an estimated level of occupation. If occupancy is lower than estimated, there will be a deficit in the accounts. Is there any information as to patient's preference for the Hospital? For private physicians? Is there any information or has there been any kind of study done on patients' preference for over-seas medical care?

Certainly, Madam Speaker, it would be valuable to piece together such information about the cost of existing services about occupancy, about preference and about the major health problems which confront our country so that the priority which has been chosen is done with the best possible examination of cost and effects of alternative strategies but he is not looking for any alternative strategy.

Any other route would say to me that the Member and his cohorts did not do their homework but rather went like this, "eeny, meeny, miney moe". Up until now he has not been able to produce such studies. He has not produced any study for size, for expenditure and cost effectiveness.

The Health Authority, like he said, does not have my support. However, I cannot stop the Member going ahead with this evil plan. Nevertheless, this motion is brought here hoping the Member will face reality, use some common sense and acknowledge that there are too many problems which he did not foresee and that the Hospital staff is unwilling to allow himself and the Chief Medical Officer to by-pass with a promise. They are not going standing on a promise, they want to be assured of the future. That is why I say, section 13 of the Law is not clear in relation to the civil servants.

The Member must realise that what he is dealing with... well, I probably said that already... civil servants who have five, ten, 15 up to 25 years of service in the health area who are not playing politics but they are trained in their chosen profession and they are acting accordingly. What they want is peace, what they want is contentment and what they want is a fair chance to do their duties in a professional fashion without undue harassment from himself or from the CMO. The Member must realise that he is not capable or does not have the expertise in the areas in which these professionals and technocrats must operate the Health Services. They know best, they are the technocrats, he should listen.

They have stated their concerns in a sincere and forthright manner saying that the Health Services have a lack of direction along with added responsibilities of Departmental Officers who already carry clinical and managerial duties and it is becoming burdensome and counter-productive to patient care delivery. This has to be a serious matter. I believe that the date in the Resolution would give all concerned sufficient time to put matters in perspective.

Madam Speaker, what is going to happen to this Resolution, I do not know. What is going to result in the future as far as the Member is concerned, in my opinion, is a destruction of our health facilities. A loan for the facility would not be able to be paid from the profits of the Hospital, as the Member now claims, and increased taxation by Government to fund the system which would be costing more because of the new bureaucracy.

The four Members of Executive Council have continually blamed everybody for their problems. When it was convenient they blamed the Chamber of Commerce, they blamed the Backbenchers who cannot even get the truth from them, they blamed the Gulf War, they blamed the recession, they blamed the civil servants from all departments, they blamed members of the public, they blamed turtle meat, they blamed GPA, they blamed the Unity Team. They blamed even time constraints. They blame everyone and anything for their failings but themselves.

This is what I said is a litany of failure, it is also the litany of the denial of responsibility by the four of them to account for their own incompetence, to account for their own neglect, to account for their own extravagance and to account for their own spite. I say, I have listened to their argument. They have no case when it comes to this Resolution.

I also want to add my thanks to the doctors and the health personnel in this country who I think are doing a fairly decent job considering the strain they are working under. I want to thank some of the private doctors in this country who render a fairly good service.

certainly not precedential because it has been done before and I believe it is in the interest of Government that when private sector approaches us for guarantees that we do charge for it.

The interest obviously, on the loan being borrowed from the European Investment Bank, is a much lower rate than any commercial rate that we could think of at this present time so the 1 per cent on the amount of the outstanding balance to Government is not significantly going to affect the price of water from this particular company to the residents of the West Bay District and I speak personally because I am also a resident of the West Bay district.

I recommend this variation to all Honourable Members of this House.

MADAM SPEAKER: The question before the House is that the variation as outlined in the paper to Government Motion No. 6/91 be approved. The motion is opened for debate. (Pause)
If there is no debate, I would ask the Honourable First Official Member if wishes to say more?

HON. THOMAS C. JEFFERSON: Only to say thanks to Members for their support of the variations.

QUESTION PUT: AGREED.

VARIATION TO GOVERNMENT MOTION NO. 6/91 PASSED UNANIMOUSLY.

MADAM SPEAKER: I will now call for the adjournment.

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

ADJOURNMENT

HON. THOMAS C. JEFFERSON: Madam Speaker, it might be appropriate to say that it is my understanding that we wish to call a special meeting of the House to deal with the Report of the Select Committee on the Constitution and I understand that there has been some agreement that the date should be the 28th of October. So I move the adjournment of this Honourable House until the 28th of October at 10:00 a.m.

MADAM SPEAKER: The question is that this Honourable House do now adjourn until the 28th of October, at 10:00 a.m. to consider the Report of the Select Committee on the Constitution. Motion is open for debate. If there is no debate 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.

AT 12:40 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., MONDAY, 28TH OCTOBER, 1991 FOR THE PURPOSE OF TABLING AND DEBATING THE REPORT OF THE SELECT COMMITTEE ON THE REVIEW OF THE CAYMAN ISLANDS (CONSTITUTION) ORDER, 1972.

**MONDAY,
28TH OCTOBER, 1991
10:32 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. The Legislative Assembly is in session. The

First Elected Member for West Bay.

STANDING ORDER 83 - SUSPENSION OF STANDING ORDERS

MOTION TO SUSPEND STANDING ORDER 24(5)

MR. W. McKEEVA BUSH:

Madam Speaker, under Standing Order 83, I wish to suspend the Standing Order 24(5). The purpose of the suspension is to allow the introduction of a motion which asks the House to stop all consideration being given to constitutional advancement for these Islands until the issue has been clearly debated in the manifestos of candidates in the forthcoming general elections and to postpone the debate of the Report until a date in 1992, which would give the public sufficient time to evaluate the recommendations of the Report.

MR. TRUMAN M. BODDEN:

I second that motion.

MADAM SPEAKER:

The motion before the House is that under Standing Order 83, which provides for the suspension of Standing Orders of this House at any time, that Standing Order 24(5) which provides that no motion may be introduced until five clear days notice has been given before the Sitting, that that be suspended in order that Private Member's Motion No. 18/91, be presented to the House. The matter is open for debate.

First Elected Member for West Bay.

MR. W. McKEEVA BUSH:

Madam Speaker, the purpose of the suspension, I have already stated and I would ask Honourable Members to give it some consideration, at least to hear the debate. I have, as I said, already given the purpose of the suspension.

MADAM SPEAKER:

The Honourable Member for Education.

HON. BENSON O. EBANKS:

Madam Speaker, I have to oppose this motion.

MADAM SPEAKER:

Honourable Member, before you proceed, have all Members been supplied with copies of the Private Member's Motion?

HON. BENSON O. EBANKS:

No, Ma'am, nor do we have the one that we are actually debating but I understood the content of it.

MADAM SPEAKER:

each Member a copy? Thank you.

I think copies could be supplied by the Serjeant. Would you give

Honourable Member would you proceed?

HON. BENSON O. EBANKS:

Thank you, Madam Speaker. This House was adjourned some four to six weeks ago to be called today specifically to lay this Report of the Select Committee on the Constitution on the Table and to debate the Report. That was a unanimous decision of the Committee. Furthermore, the Committee took the unusual step to make public the Committee's Report before bringing it to be laid on this Table. In other words, Madam Speaker, the normal procedure is that the Report not be made public until it has been laid on the Table. This Committee took the unusual procedure to make its Report public, save for the Minutes.

Standing Orders were suspended for this purpose; all Members concurring and the only thing that will be added to this Report today, other than the debate, are the Minutes of those meetings. I cannot see what has happened now, why the Committee must change in mid-stream a procedure adopted by everybody and for that reason, I cannot accept that Standing Orders be suspended for anybody to bring another motion here now.

If I have gleaned the content of the Member's motion, which I have not yet seen, (this is it here now, Madam Speaker), it would seem to me that the appropriate route for this Member to follow and the Member seconding the motion, is that if they feel strongly that they want to postpone whatever, that they make such an amendment after the Member presenting his Report makes that motion.

I think to come here and attempt to preclude debate or preclude this Report being tabled and to prevent debate on that, is nothing short of ridiculous and I cannot support it.

MADAM SPEAKER:

The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN:

Thank you, Madam Speaker. I would like to clear one point. This motion is not going to preclude the laying on the Table of this Honourable House the Report and the Minutes. It is talking about adjourning the debate on it, and that would go on the Table and then the public would have a right to see the Minutes and everything relating to the Report. The aim of this really is that when we agreed on the Motion to put the debate on this on the 28th, I genuinely thought we would have had probably about two to three weeks that the public would have had it. And it is no fault of the Committee Members here, or the Clerk, it took some while for us Members to really finish this up. So what has happened is that the public only had the one week, or a little bit more. Really one week was about all that it was.

I agreed to put it on today's date, I am not denying that, but what I am saying is when we originally dealt with this we underestimated the time it would take us. I am prepared to say that I made a mistake, and that I thought it would have been maybe three weeks that the Report would have been out to the public. But we just could not finish it before because it was a lot of work. I am not trying to lay any blame on Government or anything in that respect and when the public see the Minutes, they will realise it was a lot of work.

In his speech that went out with the Report, the Member did mention that it was precedent setting in that we waived the Standing Orders so that the Report could go to the public and give them a bit of time to look at it before the debate came up. So he must have regarded that as a very important matter when making that statement and in relation to it. Really, waiving of the Standing Order this time is for the same reason the Member for Tourism moved it the last time - so that the public can be given more time. And, I am against waiving Standing Orders if it is going to take away time from the public, but this one is actually to give the public more time to look at it. I really think that the motion is worthy of debate because there have been a lot of representations made to me and I believe to other Elected Members at least, where the public has been asking that more time be given. They are quite interested in it now at this stage.

In summary, it is not going to preclude laying on the Table the Report and the Minutes, nobody wants to do that. That can then go out to the public and we are asking to waive the Standing Orders so that the debate be taken at a later stage, to give the public some more time to look at this and to try to get a better idea and understanding and give everybody more time to deal with this most important issue.

Thank you.

MADAM SPEAKER:

The Member for Health and Social Services.

HON. D. EZZARD MILLER:

Madam Speaker, I wish to oppose the motion which calls for the suspension of Standing Order 24(5), to allow Private Member's Motion No. 18/91 to be taken this morning.

Now the Third Elected Member for George Town who just spoke and who is the seconder to this motion says that this motion will not preclude the laying on the Table the Report and the Minutes or debate, but if you will permit me, the first resolve in my opinion, does exactly that. It says: "BE IT NOW THEREFORE RESOLVED THAT this Honourable House stop all consideration being given to constitutional advancement for these Islands until the issue has been clearly debated in the manifestos of candidates in the forthcoming General Elections;"

Madam Speaker, I submit that that all includes the laying of the Report and one wonders what is really the purpose of this? Whether the purpose is not to preclude the debate on this Report and these Minutes getting out prior to an election because from where I sit, the election in 1992, is more than the three weeks that the Third Elected Member for George Town is hoping for and if he felt that three weeks was enough that is what his motion should have said.

This motion seeks to stop all proceedings, Members have worked hard on this Report, we have given the public ample opportunity to take part and I submit that to stop this process now would be a mockery to the democratic process that has taken place up to this point.

The people have made representation to the Commissioners, the Commissioners have said this in their Report. The Select Committee has had numerous meetings to discuss the recommendations, the public has been invited to make representation, both written and in oral form to the Committee. To stop this process now and talk about putting it off until after the next election would be a mockery to that whole process and I cannot support the suspension of Standing Orders which would allow Private Member's Motion No. 18/91.

I think it is time that the House faces this issue squarely. Let Members stand up, make their positions clear to the public during the debate and let the public be the judges during the 1992 election, not afterwards when they have three years to play what they want to do after that.

Thank you, Madam Speaker.

MADAM SPEAKER:

The Second Elected Member for Bodden Town.

MR. G. HAIG BODDEN:

Madam Speaker, I support the motion to delay the action which we propose to take today until early next year so as to provide ample opportunity for members of the public to digest the revolutionary changes recommended in the Report.

It is true that the Elected Members of this House have done what was possible within their means to publish the recommendations in the Report. I know in the Bodden Town district my colleague and I have held three separate meetings. The first one in Bodden Town was not well attended. At one of the other meetings we had a fair attendance and the third meeting I would say had an exceptionally large crowd, taking into account the locality of the meeting.

It seems to me that the public interests did not really get going until quite recently. I believe that although the Commissioners' Report had been published and although the Select Committee's Report had been published, the fact is there were hundreds of people, maybe thousands of people that never read those Reports.

It seems to me that with the four airings on Open Line recently many members of the public have now become aware of the full implications of the changes that have been recommended in the Commissioners' Report.

It is a pity that the Open Line forum had not been used in the beginning so that members of the public who like to listen to the radio and who like to call in from the safety of their own homes could have done so. This motion today is merely seeking more time for the public to digest an action which will effect them and generations to come for a long time. Also, what is very important is that the Minutes have not yet been made public. The document which we have is a huge document and although it will be on the Table today, it will take the public many weeks if they care to read and evaluate these Minutes. So the request is not an unusual one.

Now one Member that spoke had the fear that this is an attempt to keep these Minutes out. I do not believe that. I believe the mover of this motion would willingly agree to amending his motion so that another resolve section could state specifically and guarantee that the Minutes will be laid today, whether we go on with the debate or not. Also, we have not yet been told, and I think this should preclude any going forward. The public should be told two things; one is whether the Civil Service Members of Government are going to vote on this Report, we know that they will be used to put through the original request and the public will want to know that; and the public will also want to know specifically, if constitutional amendments are to be made, if they will be made after the next General Election or before.

We have nothing but ambiguous statements from the Governor, from the Foreign and Commonwealth Office (FCO) and from the Government bench on this important matter. These are concerns which this motion seeks to address and I fully support that the time be lengthened for this process.

MADAM SPEAKER:

The Third Elected Member for West Bay.

MR. JOHN D. JEFFERSON, JR.:

Thank you, Madam Speaker.

Madam Speaker, I rise to offer my support of Private Member's Motion No. 18/91. I think this request is reasonable because I am also concerned that the people of this country have sufficient time to get a copy of the Report and to evaluate the contents.

I know that we did everything that we could as a Select Committee to get the Report finalised as quickly as possible and have it available for the Members of the Legislative Assembly as well as members of the public. The fact remains, that it probably has been only seven to 10 days since this Report has been available and I think it is unreasonable for us to come to the conclusion that this was sufficient time for the public to digest the contents of this Report.

I think we are at a considerable advantage as Members of the Legislative Assembly, being a part of that Select Committee on the Constitution because we were involved from day one. We have all heard the representation from the members of the public, we have had sufficient time to also evaluate the contents of the Commissioners' Report and as a result we have been in a position where we have drawn our individual conclusions on the recommendations with respect to the new Constitution for the Cayman Islands.

I think it is important that we as a Select Committee and elected representatives of the people set the timetable for this process - not the Foreign and Commonwealth Office. It appears that that is what we are trying to do. We are trying to comply with their instructions. Their instructions are that the Report must be Tabled and approved by the Select Committee of the House and by the House before or by

the 30th of November, 1991.

If it is three months down the road that we are comfortable that the process has been completed and we are satisfied that the people know and are comfortable with the recommendations of the Report, then three months down the road would be sufficient, as far as I am concerned.

One thing that I am constantly reminded of is the fact that I am an elected representative of the people and I take my instructions from the people. I do not hold the same attitude of some Members of this House who feel and who have said they are not a delegate of the people. They do not take instructions of the people, they go out and do what they feel is right and the people must comply with those actions. That is not my approach.

The feedback I have received, the people have said, "John, you guys should not rush this process, we see no reason why we have to. The people need sufficient time to look at the recommendations of the Select Committee's Report and they must have the time to be comfortable with their recommendations.". So if our people want more time to look at the recommendations, then that is the position that I am prepared to support.

You know, I have heard a lot in the last year I would say, about constitutional change and the whole bit but my contention still remains, it does not matter if we bring in a new Constitution if we do not have Elected Members in Executive Council who are prepared to work together to see to it that the process works, a new Constitution is not going help that situation.

MADAM SPEAKER: The Honourable Member is now debating the Report of the Constitution. Could you keep to the question before the House now which is the suspension of Standing Order 24(5) to allow Private Member's Motion No. 18/91 to come before the House.

Thank you.

MR. JOHN D. JEFFERSON, JR.: Madam Speaker, I apologise for straying but the reason why I did was because I feel that the people of this country need sufficient time to look at this very important document.

Madam Speaker, I feel, like I said before, that the contents of this motion are reasonable and I see no reason why we, as elected representatives, cannot comply with the wishes of the people. The feedback that we are getting is that people are saying, "We have not had sufficient time to look at this very important document and we want you, as legislators, to give us sufficient time to do that." I think that is reasonable.

I would suggest that when the motion is put to the vote that the vote be taken separately on the two sections rather than taking one vote on both sections. That is, and I read the motion, it says:.....

MADAM SPEAKER: Excuse me Honourable Member, the motion is not before the House we are still debating the suspension of Standing Orders. If the motion for Standing Orders is passed then the motion will be before the House and you can speak on that issue.

Thank you.

MR. JOHN D. JEFFERSON, JR.: All right, Madam Speaker, thank you for that. Anyway, I abide by the wishes of the people. The people want sufficient time to look at the contents of the Report and I support the suspension of Standing Orders to enable this very important motion to be debated in this House.

Thank you.

MADAM SPEAKER: If there is no further debate, I will have to put the question. Would you like to close the debate?

MR. W. McKEEVA BUSH: Yes, Madam.

MADAM SPEAKER: The First Elected Member for West Bay.

MR. W. McKEEVA BUSH: Madam Speaker, the motion to suspend Standing Orders is very clear. The purpose is very clear. There is no ambiguity in the motion. The Elected Government Bench has put forward the reasoning for not supporting it. That is, that they have no more time to give the public.

It is true that we agreed some six weeks ago to specifically take the debate today but it must be remembered by the House that the time in between the public did not have a long enough period. Let us face it. What is two or three weeks for an important issue, having the magnitude that these constitutional proposals will have on all sectors of this country? In 1972, I believe, the time was extended. The parliamentary term was extended and they had more time. That is not the case today. That is not being recommended.

The Member for Education says he cannot understand the need. There is a lot of need to postpone the considerations being given to advancement. For one thing, the public, as has already been said, is not fully aware of what the recommendations are regardless of how much time they think they have given the public.

It is very clear to one and all that the public is dissatisfied. There is much uncertainty regarding the recommendations of the Reports. There is much disagreement and opposition to advancement and the people are only now being awakened to the full ramifications of the suggestions of the

Commissioners and the Reports from the Majority Report of the Select Committee.

Madam Speaker, I have been going within my constituency for the past several months now to all of the areas to have public meetings. So far we have had them in Boatswain Bay and Mount Pleasant and we intend to go to Birch Tree Hill, Central West Bay and Northwest Point. In fact, tomorrow night we will be going there.

The response from the public has been an overwhelming, "No.". They, in the majority, feel that they have not had enough time. The Member for Education cannot say the same thing. He has held one single public meeting in which he had 26 people and I was one of those 26 people, the reporter was one and the Member for Communications and Works was one. There were at least four of my supporters there, so if he had 20 people which you could say were his supporters, he had plenty but even they were telling him, "No," because of the full ramifications of the proposed changes.

I do not think that I can change their minds. I think that they are going to vote against this and I am not going to delay whatever route they want to take. There is too much uncertainty. There have been ambiguous statements on the part of the Governor. There has not been a clear understanding from the FCO. One of them came here and said that they were going to give us a modern Constitution, that was Mr. Lennox Boyd. Mr. Baker, the last one who came here, said that they are going to leave it up to us. They are going to leave it up to us? It is what we said to them!

Having regard to the entire situation, the uncertainty of the country, the financial mess that the country is in, I think that we need to spend time on other things now. We have been hell-bent on putting off the Immigration Committee, and putting off other serious committees to deal with this Constitution in a rush. It was a rush from the beginning.

I think that we must today take this step. I am not playing politics with anybody. I am doing what I feel is a majority feeling in this country but that is the answer, the reasons from the Government Bench.

To deal specifically with what Members said about the suspension, the purpose is not to preclude the Report being made public as the Member for Health, the Member for North Side has said because the Report has already been made public so I do not know what kind of nonsense he gets up in this House and talks about as he usually does.

The Minutes, however, have not been made public but this motion does not stop the Member from tabling the Minutes for them to be made public but if there is any doubt, I can add a further section to state even more clearly that the Minutes can be laid today. There is no need for a motion to stop the Minutes because that is Government's prerogative to put the Minutes on the Table of the House. They have that prerogative so this motion does not preclude any Minute. I think I would be very happy for the Minutes to be made public.

Madam Speaker, I can say no more. I think that the purpose is very clear as to what I am seeking to do. I am seeking to suspend Standing Orders to be able to move the Resolve section in the motion that this Honourable House stop all consideration being given to constitutional advancement for these Islands until the issue has been clearly debated in the manifestos of candidates in the forthcoming General Elections.

The second Resolve section is: "AND BE IT NOW FURTHER RESOLVED THAT the debate on the Report of the Select Committee to Review the Cayman Islands (Constitution) Order, 1972, be postponed until a date in 1992 to enable members of public to have sufficient time to evaluate the recommendations of the Reports.". Madam Speaker, in the workings of a Government, in an important issue like the far-reaching changes that are proposed for constitutional advancement, I think that sufficient time has not been given and as I said, I think that we would serve this country well for posterity if we, today, take the steps to stop until we get before the public in a General Election and say, "Ladies and gentlemen, if I am elected, this is what I intend to do.".

Are Members afraid of that? That is not what is going to happen with the route that is being proposed. The route that is being proposed is that we will have a Constitution when we get the General Election and all that will happen is that new Members will be sworn in under that new Constitution.

In case of doubt as to the attendance at my meetings, the meeting in Boatswain Bay was well attended, the one at the Town Hall was well attended and at the last meeting that we held there were at least 125 people in attendance.

I ask the House to seriously consider the steps that are being taken today. When this is done it will be a foregone conclusion. It is then only left to the Foreign and Commonwealth Office to come back and we can only say that we may not like this or we support it but it will be a foregone conclusion that we will have a new Constitution.

Thank you, Madam Speaker.

MADAM SPEAKER:

I shall now put the question.

QUESTION PUT: AYES & NOES

MR. W. McKEEVA BUSH:

Can I have a Division, Madam Speaker?

MADAM SPEAKER:

Certainly.
Madam Clerk, would you take the Division?

DIVISION NO. 30/91

Ayes: 5

Mr. W. McKeeva Bush
 Mr. John D. Jefferson, Jr
 Mr. Truman M. Bodden
 Mr. G. Haig Bodden
 Mr. John B. McLean

Noes: 9

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

Absent

Mr. Roy Bodden

(The Second Elected Member for Bodden Town extended apologies for the absence of the First Elected Member for Bodden Town who was selected to open the Pirates Week festivities in the district of Bodden Town at :00 a.m.)

NEGATIVED BY MAJORITY:

MOTION TO SUSPEND STANDING ORDER 24(5) DEFEATED BY MAJORITY.

MADAM SPEAKER:

We will proceed with the business on the Order Paper, Presentation of Papers and Reports. The Honourable Member for Tourism, Aviation and Trade.

PRESENTATION OF PAPERS AND REPORTS

REPORT OF THE SELECT COMMITTEE (OF ELECTED MEMBERS) TO REVIEW THE CAYMAN ISLANDS CONSTITUTION ORDER, 1972

HON. W. NORMAN BODDEN:

Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this Honourable House the Report together with the Minutes of the meetings of the Select Committee Comprised of Elected Members to Review the Cayman Islands (Constitution) Order, 1972.

MADAM SPEAKER:

So Ordered.

HON. W. NORMAN BODDEN:

Madam Speaker, the following is the Report of the Select Committee's Review of the Cayman Islands (Constitution) Order, 1972.

The Background: The Select Committee to review the Cayman Islands (Constitution) Order, 1972 was established by the Legislative Assembly on Thursday 15th November, 1990, upon the unanimous passing of Private Member's Motion No. 25/90. The Motion was brought to the House by the Second Elected Member for Cayman Brac and Little Cayman, Mr. Gilbert A. McLean, MLA, and seconded by the First Elected Member for West Bay, Mr. W. McKeeva Bush, MLA (in the absence of the original seconder of the Motion, the Third Elected Member for West Bay, Mr. John J. Jefferson, Jr., MLA).

The Motion came as a result of the passing of Government Motion No. 9/90 on 24th July, 1990, by an eight to seven majority, which sought a request through the Secretary of State for Foreign and Commonwealth Affairs (FCO) to appoint a Commission for a Constitutional Study to ascertain and evaluate opinion in the Cayman Islands upon possible paths of constitutional evolution, having regard to political developments in the Islands and to the social and economic development of the Islands since the introduction of the present Constitution in 1972. Government Motion No. 9/90 read:

Government Motion No. 9/90 Request for Constitutional Study

WHEREAS the last comprehensive examination of the Constitution of the Cayman Islands was conducted in 1971;

AND WHEREAS since that time the Islands have enjoyed considerable social development and economic growth;

AND WHEREAS there have recently been proposals for piecemeal alterations to the Constitution;

AND WHEREAS the debate in this Honourable House upon Government Motion No. 3/90 has focused much attention upon provisions of the Constitution including the role of the Official Members of this Assembly;

BE IT THEREFORE RESOLVED THAT this Honourable House request, through His Excellency the Governor, the Secretary of State for Foreign and Commonwealth Affairs to appoint a suitably qualified and experienced person or persons as a Commission to ascertain and evaluate opinion in

the Cayman Islands upon possible paths of constitutional social and economic development of the Islands since the introduction of the present Constitution in 1972; in conducting this assignment to consult with the Governor, the Members of Executive Council and of the Legislative Assembly, interested organisations and members of the public; and to report.

The FCO appointed two Constitutional Commissioners, Sir Frederick Smith and Mr Walter Wallace, CVO, CBE, DSC, to commence the study for the Government in January of this year. It was as a result of the relatively short period of time between the passing of the Government Motion and the date of commencement of the Commissioners' study, that Mr Gilbert McLean tabled a motion on 5th September, 1990, for the establishment of a Select Committee to be the forum by which the Elected Members of the Legislative Assembly could collectively formulate opinions and solicit views from the public, and recommend what, if any, constitutional changes the people of the Islands and Elected Members of the Assembly consider desirable for the Cayman Islands.

Terms of Reference of Select Committee: The terms of reference of the Select Committee are set out in Private Member's Motion No. 25/90, which read:

Private Member's Motion No. 25/90
Select Committee to Examine the
Constitution of the Cayman Islands

WHEREAS by a majority vote, Government Motion No. 9/90, "Request for Constitutional Study", was passed;

AND WHEREAS a Constitutional review was not a campaign issue in the last General Election, nor was it publicly debated during the last General Election by any candidate or any present Elected Member;

AND WHEREAS it is considered reasonable and desirable that the bipartisan views and opinions of Legislators and the views of the public be solicited;

BE IT THEREFORE RESOLVED THAT a Select Committee, comprising all Elected Members of this Honourable House, be established:

- (1) to examine the present Constitution in the light of Members' experience of working with it and to formulate a submission to the Constitutional Commissioners;
- (2) to consider the report of the Constitutional Commissioners, once it is tabled in the Legislative Assembly, and to invite representations and hear witnesses thereon;
- (3) to consider whether any recommendations necessary for the conduct of a General Election should be implemented prior to a General Election; and
- (4) to report to this Honourable House upon consideration of the Commissioners' Report.

AND BE IT FURTHER RESOLVED THAT this Honourable House recommends that the implementation of any recommendations for Constitutional changes, with the exception of the paragraph numbered (3) above, shall not take place without the changes being the subject of a General Election.

Debate in the House on Motion 25/90: Motion 25/90 was first tabled in the Clerk's Office on 5th September, 1990, during the Third Meeting of the Legislature, and on 6th September (the last Sitting of that Meeting) the Member, Mr Gilbert McLean, sought to waive Standing Order 24(5) to enable the Motion to be brought before the House without due notice. The motion to waive Standing Orders was, however, defeated by a majority (Division No.38/90) and Motion 25/90 stood postponed until the Fourth [Budget] Meeting of the 1990 Session.

On 14th November, 1990 (the second Sitting of the Fourth [Budget] Meeting) Motion 25/90 finally came before the House having been revised slightly in context by the Member in consultation with the Members of the Government. The Motion was debated in the House on 14th and 15th November and passed unanimously.

Appointment of Chairman & Members of the Select Committee:

On 15th November, 1990, the Presiding Officer of the Legislative Assembly, His Excellency the Governor Alan J Scott, CVO, CBE, in accordance with the provisions of Standing Order nominated the Hon W Norman Bodden, OBE, JP, Member responsible for the Portfolio of Tourism, Aviation and Trade, to be the Chairman of the Select Committee.

The composition of the Select Committee consisted of all

Elected Members of the Legislature, namely: Hon. W. Norman Bodden, OBE, JP; Hon. Benson O. Ebanks, OBE; Hon. D. Ezzard Miller; Hon. Linford A. Pierson, JP; Mr. W. McKeever Bush; Mr. John J. Jefferson, Jr.; Mr. Truman M. Bodden; Capt. Mabry S. Kirkconnell, JP; Mr. Gilbert A. McLean; Mr. Roy Bodden; Mr. Haig Bodden; Mr. John B. McLean

Meetings of Select Committee: The Committee met on twenty-four (24) occasions to formulate opinions, to meet with and submit to the Constitutional Commissioners preliminary proposals for constitutional changes, to consider the Commissioners' Report, to consider written representations and meet members of the public, to finally arrive at a general consensus of opinion of both Elected Members of the Legislative Assembly and members of the public as set out below under the Committee's Recommendations of this Report.

Meetings were held on:

- (i) Wednesday, 19th December, 1990
- (ii) Wednesday, 2nd January, 1991
- (iii) Thursday, 3rd January, 1991
- (iv) Friday, 4th January, 1991
- (v) Wednesday, 9th January, 1991
- (vi) Thursday, 10th January, 1991
- (vii) Monday, 28th January, 1991
- (viii) Tuesday, 29th January, 1991
(Second Meeting with Commissioners)
- (ix) Friday, 8th February, 1991
- (x) Wednesday, 19th June, 1991
- (xi) Thursday, 11th July, 1991
- (xii) Friday, 12th July, 1991
- (xiii) Wednesday, 17th July, 1991
- (xiv) Thursday, 18th July, 1991
- (xv) Friday, 2nd August, 1991
- (xvi) Monday, 5th August, 1991
- (xvii) Tuesday, 6th August, 1991
- (xviii) Wednesday, 28th August, 1991
- (xix) Thursday, 29th August, 1991
- (xx) Friday, 6th September, 1991
- (xxi) Tuesday, 17th September, 1991
(Meeting with Mr Gordon Baker - FCO)
- (xxii) Friday, 11th October, 1991 (when the Committee considered its Report)
- (xxiii) Monday, 14th October, 1991 (when the Committee considered its Report)
- (xxiv) Wednesday, 16th October, 1991 (when the Committee considered Dissenting Statements and signed the majority Report).

Early Publication of Committee's Report: In order to give members of the public a sufficient period of time to review the Select Committee's Report, it was agreed that a motion be brought before the September 1991 Meeting of the Legislature to waive Standing Orders to enable the Report to be published before being tabled and debated in the Legislative Assembly. The motion was moved by the Chairman of the Committee, Hon W Norman Bodden, OBE, JP, and unanimously passed by the Assembly on 12th September, 1991. The motion read:

Government Motion No. 7/91
Publication of the Report of Select Committee
To Review The Cayman Islands (Constitution) Order, 1972

WHEREAS the Report of the Select Committee appointed by Private Member's Motion No. 25/90 to review the Cayman Islands (Constitution) Order, 1972, will not be ready for tabling during this current Meeting of the Legislative Assembly;

AND WHEREAS the Select Committee recommends that its Report be published for public consideration as soon as possible and before it is debated in this Honourable House;

BE IT NOW THEREFORE RESOLVED THAT:

- (1) This Honourable Legislative Assembly do order that the Report of the said Select Committee be published as soon as it is agreed upon and signed by the Chairman and Members thereof; and
- (2) That Standing Order 71(4) be suspended to enable the Report to be published before it has been tabled in this Honourable House.

Minutes of meetings: The Select Committee's Minutes of

Meetings shall be published upon simultaneously being tabled with the Committee's Report in the Assembly. (and this has been done).

Legislation & Papers Before Select Committee: The Committee had before it the following papers and legislation to assist it in making recommendations for constitutional changes:

- (1) The Cayman Islands (Constitution) Order, 1972
- (2) Report of the Constitutional Commissioner, The Rt Hon the Earl of Oxford and Asquith, KCMG, on the 1971 proposals for constitutional advance;
- (3) The Bermuda Constitution (1981)
- (4) The British Virgin Islands (Constitution) Order, 1976
- (5) The Turks and Caicos Islands (Constitution) Order, 1976 & 1988
- (6) The Saint Christopher, Nevis and Anguilla Constitution Order, 1967
- (7) The Federal Constitution of the Swiss Confederation
- (8) The Montserrat Constitution & Elections (Revised) 1965
- (9) First and second draft Constitutions for the Cayman Islands prepared by the Caymanian Bar Association
- (10) Members' Portfolio Responsibilities (as revised in 1990)
- (11) The Cayman Islands Public Finance and Audit Law, 1985
- (12) The Constitutional Commissioners' Report, 1991,

And, of course, the various oral and written representations made to the Select Committee by the people of the Cayman Islands (see below).

Committee's Submission to Constitutional Commissioners: The Select Committee met the Commissioners prior to and after submitting to them preliminary recommendations for proposed constitutional changes. Minutes of the second meeting with the Commissioners were taken upon the Committee's request that the Clerk of the Select Committee be in attendance.

The Committee submitted to the Commissioners the preliminary recommendations for proposed constitutional changes on the afternoon of 10th January, 1991, which has been included in pages 5 through 10 of this Report but which will not be read out in this presentation.

Publication and Tabling of Constitutional Commissioners' Report, 1991: The Constitutional Commissioners' Report, 1991, was tabled in the Legislative Assembly on Wednesday, 19th June, 1991, during the Second Meeting of the 1991 Session of the Legislature, by the Leader of Government Business, Financial Secretary and First Official Member, Hon Thomas C Jefferson, OBE, JP.

The Select Committee met during the suspension of the Sitting of the Legislature that same day to consider its ongoing procedure. During this meeting the Committee collectively noted its displeasure that the Commissioners' Report had been published in the Library of the House of Commons, it would appear, as early as May and became a public document in the United Kingdom before Members of the Committee were in receipt of it.

On 20th June, 1991, the Select Committee issued a press release advising that the Committee was convening deliberations on the Commissioners' Report and urging the public to procure copies of same from the Government Information Services.

Following the adjournment of the Second Meeting of the Legislature the Committee commenced deliberations on the Commissioners' Report on 11th July, and on 12th July issued further press releases (aired frequently on Radio Cayman between the period 12th through 25th July and published two half-page advertisements in the *Caymanian Compass* on 17th and 19th July) inviting members of the public to appear before it to make their views on the Report known and/or to submit written representations in the same regard, prior to 25th July, 1991. The Committee set aside the period 25th July through 8th August to meet members of the public.

Oral and Written Representations to Committee: The Select Committee expresses concern that its invitation to receive input from the public on the Commissioners' Report fell short of anticipated involvement. The Committee found it difficult to conclude whether in fact the majority of the public were satisfied with the recommendations contained in the Commissioners' Report, or whether many persons remained unclear of the issues being proposed and therefore hesitant in expressing their views, or indeed that they felt confident in leaving the issues in the hands of the Committee and the several representations made to us. In view of the slow and small number of responses from the public we accepted a number of late requests to appear before us, as well as accepting several late written representations.

The Committee is greatly indebted to all persons and organisations which gave of their time to submit their views (either orally or in writing - some of which were set out in great depth and detail) to both the Constitutional Commissioners and to the Select Committee on the most singular important issue before the country; an issue which will affect all generations to come.

What was brought out in our hearings with members of the public was that many felt the Commissioners paid little heed to their views submitted during meetings with them, and thus felt that the Commissioners' proposals had been predetermined prior to their arrival in the Islands.

The oral and written representations from the public appear in the minutes of meetings in the following order:

Oral Representations:

Friday, 2nd August, 1991

- First Meeting : Mr Norberg Thompson
Capt Eldon E Kirkconnell, OBE, JP
Mr A L Thompson, Jr
- Second Meeting : Mr Billy Adam
- Monday, 5th August, 1991**
- Third Meeting : The Caymanian Bar Association:
Mrs Eileen Maierhofer
Mr A Steve McField
Mr Orren Merren
- Fourth Meeting : Cayman Islands Chamber of Commerce:
Mr David G Byrd
Mr Steve Hawley
Mr S T (Tommy) Bodden
Mr Philip B Hinds
- Fifth Meeting : Mrs Consuelo Ebanks
- Sixth Meeting : Young Caymanian Businessmen Association:
Mr Timothy Adam - President
Mr Gordon McLaughlin
Mr Derrington Miller
Mr John Henry Ebanks
Mr Kurt Tibbetts
Mr David Arch
- Tuesday, 6th August, 1991**
- Seventh Meeting : The Cayman Islands Bankers Association:
Mrs Rosaleen Corbin - President
Mr David Sargison - Treasurer
Mr W S Walker, OBE (representing
Caledonian Bank & Trust Limited)
- Eighth Meeting : Mr Cadian Ebanks
- Ninth Meeting : Capt Kel Thompson
- Wednesday, 28th August, 1991**
- Tenth Meeting : The Public Service Commission:
Mr A C E Long, CMG, CBE
Mrs Islay Conolly, MBE
Mr Mark Panton
- Eleventh Meeting : Mr A C E Long, CMG, CBE
- Twelfth Meeting : Mr John D Jefferson, Snr
- Thirteenth Meeting : Nurse Janice Solomon

Written Representations:

Friday, 5th September, 1991

- (1) Mr Nicholas Treen, Auditor General
- (2) Mr Peter A Tomkins (Banker)
- (3) Mr Donovan Ebanks (Chief Engineer PWD - for the Cayman Islands Public Service Managers Association)
- (4) Mr Arthur Hunter, OBE (Attorney-at-Law)
- (5) Mrs Jenny Manderson (Principal Secretary - Personnel)
- (6) Mr Franklin R Smith (Farmer and former MLA).

Only two of the representations opposed any constitutional changes at all in light of the fact that they considered that the 1972 Constitution had served the country well and that there was no sound reason why it should not continue to do so. It was also considered that other countries in the territory would fare better if they adopted our present Constitution.

The proposal for the creation of the post of Chief Minister was

generally accepted, but the method of his appointment and dismissal, and his power to appoint and dismiss other Ministers, was a source of controversy. Others viewed the establishment of Chief Minister, hand-in-hand with the party system, as being the only means of orderly and disciplined progression - provided that disciplinary checks and balances were in place. Most representations were content with changing Elected Members of Executive Council to Ministers, but many felt that the present process of election of Executive Councillors should remain; as opposed to the Governor naming Ministers on the advice of the Chief Minister.

Most organisations and persons were puzzled at the proposal to reinstate the post of Chief Secretary. Many considered that the present order of Officials had served the system well, whilst others felt that there was justification to keep only two Official posts, i.e. the Financial Secretary and the Attorney-General, namely.

Some were concerned with the establishment of Parliamentary Secretaries and felt that, even though Parliamentary Secretaries would not be bound by Executive Council responsibility, the Government would have a built-in majority vote in the Legislature. It was also felt that the Commissioners did not make clear the responsibilities of Parliamentary Secretaries.

Many expressed concern that the Commissioners did not take the majority view of the public into consideration regarding the Finance Committee, i.e. to revert the present composition of Finance Committee consisting of all Members of the House with the Speaker as Chairman, to consist of only Elected Members with the Financial Secretary as Chairman - as it existed before the passing of Government Motion 6/90 regarding the change in the Committee.

Of the representations with views on the Office of Ombudsman, it was the general consensus of opinion that the Cayman Islands should have its own Ombudsman. It was felt that such local representative could better understand the social and cultural aspects of the people of the Islands. Those most directly involved in the Public Service Commission opposed members of the Commission being appointed after consultation with the Chief Minister and the Leader of the Opposition.

The Date(s) of Coming Into Force was a contentious issue not only of the public representations made, but also of a minority of Members of the Committee. Some felt that the proposed changes should be put to a referendum and were somewhat averse to the issues being coupled with campaign issues at the 1992 General Elections; whilst others felt that changes should be the subject of a General Election campaign. People were concerned that changes might be rushed into effect, but what perhaps may have been unknown to many was the fact that the Committee had an obligation to submit its Report to the United Kingdom before 30th November, 1991.

MADAM SPEAKER: Would you welcome a suspension at this time?

HON. W. NORMAN BODDEN: Yes Madam Speaker.

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

AT 11:47 A.M. THE HOUSE WAS SUSPENDED

AT 12:10 P.M. THE HOUSE RESUMED

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

HON. W. NORMAN BODDEN: Thank you, Madam Speaker. Continuing with the Report of the Select Committee, I will now report on the meeting with the FCO regarding the Definition of Procedure for Implementation of Constitutional Changes.

To assist the Committee in determining what Her Majesty's Government envisaged as the procedure for the implementation of any constitutional changes, the Committee met Mr Gordon Baker, Head of the West Indian & Atlantic Department of the FCO on Tuesday, 17th September, 1991, during his visit to the Island. Mr Baker upon his return to London advised His Excellency the Governor, Mr Alan J Scott, CVO, CBE, of what Her Majesty's Government saw as the likely sequence of events. His Excellency on 4th October, 1991, communicated the following to the Chairman of the Committee:

"... I set down what Her Majesty's Government sees as the likely sequence of events, but I do emphasise that this is not fixed and immutable, and that the exact course of events will depend upon the views of the Legislative Assembly and subsequent decisions of the Secretary of State:-

- (1) The Select Committee presents its Report and recommendations on the Commissioners' Report to the Legislative Assembly;
- (2) The Assembly debates the Select Committee's Report by way of a Motion and decides to accept, reject or modify the recommendations of the Select Committee;
- (3) The outcome of that Motion and the views of the Assembly are reported through the Governor to the Secretary of State (not later than end November);

- (4) If the Assembly recommends no changes, or no changes of any significance, in the Constitution, then it will be for the Secretary of State to consider the position;
- (5) A General Election is expected to be held in November 1992 although constitutionally it could be earlier or a little later. If the Assembly recommends changes, then it will presumably also recommend which, if any, should be implemented before a General Election, and which should be implemented after a General Election.

It would be wrong to prejudge the outcome of the Select Committee's Report. Their recommendations will be carefully considered by the Secretary of State. If in his view a significant proportion of the recommendations should not be implemented until after a General Election then he will have to consider after the General Elections how to proceed taking due account of the opinion of the newly elected Members.

An Order in Council is the normal and appropriate method of implementing a new Constitution. I say "new" because a fresh document is likely to be more convenient than attempting to graft on additional material and amendments to the present Constitution."

Select Committee's Recommendations for Constitutional

Changes: Upon the Report being considered by Her Majesty's Government, the Select Committee requests that the (final draft) new Constitution Order be submitted to the Committee for consideration prior to same being brought into effect by the United Kingdom.

Perhaps the most trying deliberations of the Committee centred upon a minority view that, as the Commissioners' recommendations were based upon a full-fledged Westminster party system, their proposed constitutional changes would not work. It was the minority view that the proposals were contradictory in many aspects. For example, the Commissioners recommended that (even without an established party system in place) the Chief Minister, his Ministers and Parliamentary Secretaries would collectively lose office upon the passing of a Motion of No Confidence. What the minority view found further contradictory in regard to implementing the changes without an established party system, were the Commissioners' remarks on the number of votes necessary to carry a Motion of No Confidence: "If and when established political parties emerge - and experience has been gained of their functioning over a period of years - consideration could be given to amending the Constitution to provide for a simple majority instead of a majority of two-thirds."

The minority view of the Committee was also of the opinion that the implementation of any constitutional changes would not take effect until after the 1992 General Elections. The majority felt that Motion 25/90 and the Commissioners' recommendation in regard to the Date(s) of Coming Into Effect were quite explicit in regard to the implementation of any changes.

The Select Committee having taken into account the various oral and written representations made by the people of the Islands in regard to the Constitutional Commissioners' Report, 1991, makes the following recommendations for constitutional change set out hereunder (pages 14 through 20 refer). And here, the Select Committee's Report deals with the Constitutional Commissioner's Report, 1991 on a point by point basis.

(1) Bill of Rights & Definition of "Caymanian Connection":

It is recommended that a Bill of Rights be enshrined in the new Constitution along the lines of Part VIII of the Turks & Caicos Constitution Order 1988, save that wheresoever any reference to the "belonger concept" [ref. minutes of meeting 5 August - pages 3 and 9] appears therein that same be removed and replaced by the relative provisions of the Caymanian Protection Law (Law 24 of 1985).

**(2) The Governor
The Governor, Acting Governor and Governor's Deputy**

It is recommended that in accordance with the Commissioners' Report that no change in the existing arrangements for the appointment of the Governor, Acting Governor or Governor's Deputy shall be made.

(3) Governor to Consult ExCo

It is recommended that, in accordance with proposal 11 of the Committee's submission to the Commissioners, the new Constitution make provision for the following:

That Section 8(2) of the 1972 Constitution be renumbered section 8(3), and that section 5(3)(b) of the Turks and Caicos Islands' Constitution be inserted as subsection (2) as follows:

New Section 8(2):

8(2) Whenever the Governor proposes to act contrary to the advice given to him by the Executive Council he shall inform the Executive Council in writing of his reasons; and any Member who wishes to do so may, within thirty days, submit his comments in writing to the Governor who shall forward them to the Secretary of State as soon as possible.

(4) Committee on the Prerogative of Mercy

It is recommended that the new Constitution, in accordance with the Commissioners' recommendation, make provision for a Committee on the Prerogative of Mercy on the lines of Sections 10 and 11 of the Constitution of the British Virgin Islands.

It is also recommended that, in accordance with the Commissioners' recommendation, the necessary amendment be made to the Royal Instructions, 1972.

(5) Changes in Executive Council**(a) Official Members****(b) Elected Members**

It is recommended, by a majority consensus, that :

- (i) the post of Chief Secretary not be reinstated (as recommended by the Commissioners);

and that the following changes be made in Executive Council:

- (ii) that the number of Official Members be reduced from 3 to 2 Members; namely the Financial Secretary and the Attorney General;
- (iii) that the 2 Official Members be specified in the Constitution;
- (iv) that the Financial Secretary and/or the Attorney General deal with subjects in the Legislative Assembly in regard to Civil Service, Police, Prison, and other such responsibilities that presently fall under the Portfolio of the Administrative Secretary (the Third Official Member);
- (v) that the number of Elected Members of Executive Council be increased from 4 to 5 Members;
- (vi) that Members of Executive Council be referred to as "Ministers".

It is further recommended that:

- (vii) the title "Executive Council" be retained.

(6) Creation of the Post of Chief Minister

It is recommended that the post of Chief Minister be created and held by an Elected Member of the Legislative Assembly.

(7) Composition & Quorum of Executive Council

Subject to the majority consensus that the post of Chief Secretary shall not be reinstated, it is recommended that the hierarchy of Executive Council shall be:

- (1) The Governor
- (2) Chief Minister (an Elected Member)
- (3) 4 remaining Elected Members (Ministers)
- (4) 2 Official Members (Ministers) [the Financial Secretary and the Attorney-Genera];

and that a quorum be the Governor and five Ministers, **three of which shall be Elected Members (Ministers).**

(8) Appointment of Chief Minister

By a majority consensus it is recommended that the new Constitution include the following provisions for the Appointment of Chief Minister:

- (a) In the absence of a Party System the Governor shall appoint as Chief Minister the Elected Member of the Legislative Assembly who has been recommended to him in writing by a majority of all Elected

Members of the Legislative Assembly as having their confidence and support for the appointment as Chief Minister.

- (b) If a political party gains a majority of the seats of Elected Members of the Legislative Assembly the Governor shall appoint as Chief Minister the Elected Member of the Legislative Assembly recommended in writing by a majority of the Elected Members of the Legislative Assembly who are Members of that Party.
- (c) If no such Member is recommended as in (a) or (b) above, the Governor shall appoint as Chief Minister the Elected Member of the Legislative Assembly who, in an open ballot, obtains a majority of votes of the Elected Members of the Legislative Assembly for such appointment as Chief Minister.

(9) Creation and Appointment of Deputy Chief Minister

It is recommended that the new Constitution shall make provision for the creation and appointment of a Deputy Chief Minister.

(10) Appointment of Ministers other than the Chief Minister

By a majority consensus it is recommended that, in accordance with the Commissioners' recommendation, the new Constitution provide that: "The other four Ministers shall be appointed by the Governor, in accordance with the advice of the Chief Minister, from among the Elected Members of the Legislative Assembly."

(11) Tenure of Office of Ministers

Subject to the Committee's recommendation that there shall be two Official Members, it is recommended that the new Constitution provide that the seat of an Elected Member (Minister) shall become vacant:

- (a) if the Chief Minister vacates his office, or
- (b) if the Minister's appointment is revoked by the Governor acting in accordance with the advice of the Chief Minister by instrument under the public seal;

(12) Assignment of Responsibility

By majority consensus it is recommended that, in accordance with the Commissioners' recommendation, the assignment of responsibility for Ministers shall be in accordance with the advice of the Chief Minister;

And further that the subjects for which the Governor is responsible shall **not** be allocated to any Elected Member;

(13) Limitation on Terms of Office

It is recommended that, in accordance with the Commissioners recommendation, that **no limitation** on the term of office of Elected Members of Executive Council and of the Legislative Assembly **shall be made**.

(14) The Legislative Assembly (and Amendment to Elections Law)

(i) Composition of the Assembly

By majority consensus, it is recommended that the new Constitution provide for the composition of Elected Members of the Legislative Assembly to **be increased by three Elected Members** (i.e., from 12 to 15); and that **a quorum** of the Assembly **be the Speaker and eight Elected Members who shall be referred to as Members of Parliament (MP's)**.

Amendment to the Elections Law:

It is further recommended that consequential amendments to the Elections Law be made to provide that the districts of **Bodden Town, George Town and West Bay** be assigned one additional electoral seat each.

- (ii) **Qualification for Elected Membership of Legislative Assembly; and**
- (iii) **Qualification of Electors**

It is recommended that, in accordance with the Commissioners' recommendation, no changes in qualifications are necessary or desirable, and that the 1987 Amendment Order No. 2199 should continue to meet the desire of Caymanians to run their own affairs.

(15) Vacation of Seat of Elected Member on Prison Sentence (Section 21)

By majority consensus it is recommended that section 21 of the present Constitution **shall not be amended** as recommended by the Commissioners by substituting the words "any court" for the words "a court in any part of the Commonwealth".

(16) Parliamentary Secretaries

By majority consensus, it is recommended that the new Constitution make provision for the appointment of not more than three Parliamentary Secretaries.

It is recommended that the responsibility of a Parliamentary Secretary shall be to assist Ministers; that the number of Parliamentary Secretaries to be appointed during the four (4) year term of the Legislature shall be determined by the Chief Minister in consultation with his Ministers and dependent only upon the volume of work of the five Portfolios.

(17) Finance Committee

By majority consensus it is recommended that:

- (i) the provision for Finance Committee be entrenched in the Constitution;
- (ii) the Finance Committee shall comprise of all Elected Members of the Legislative Assembly;
- (iii) the Financial Secretary shall be Chairman of the Finance Committee, with a casting vote only; and
- (iv) section 37(2) of the Constitution be amended to provide that Finance Committee shall consider such matters as referred to it by the Legislative Assembly or Executive Council.

(18) Other Committees of the Assembly

It is recommended that, in accordance with the Commissioners' recommendation, section 42 (Committees of Assembly) of the Constitution be deleted.

(19) Constituencies (and a Boundaries Commission)

By majority consensus it is recommended:

- (i) that the new Constitution make provision for an Independent Boundaries Commission;
- (ii) that single-member constituencies **not** be established; and
- (iii) that the recommendations of the Boundaries Commission be subject to a Resolution passed by a majority of the Elected Members of the Legislative Assembly.

(20) The Speaker

It is recommended that, in accordance with the Commissioners' recommendation, the new Constitution make provision for the following:

- (a) That the Assembly be presided over by the Speaker (being a person qualified to be a member of the Assembly) elected by the Elected Members of the Assembly who need not necessarily be a Member of the Assembly but who may not be an Official Member nor an Elected Member of Executive Council;
- (b) In the absence of the Speaker, the Deputy Speaker who must be an Elected Member of the Assembly, qualified and elected as in (a) above;
- (c) In the absence of both the Speaker and Deputy Speaker, such Member as may be elected by the Elected Members, qualified as in (a) above;

And further that the Speaker and Deputy Speaker should cease to hold office on dissolution; and may only be dismissed from office on the passing by the votes of two-thirds of the Elected Members of a motion of No Confidence in the Speaker or Deputy Speaker, as the case may be.

(21) Vote of No Confidence

By majority consensus it is recommended, in accordance with the Commissioners' recommendation, that:

- (i) the new Constitution retain Section 9(2) of the 1972 Constitution;
- (ii) Section (6)(2)(f) of the 1972 Constitution be deleted;

and further that:

- (iii) the new Constitution provide for a simple majority vote on a Motion of No Confidence.

(22) Leader of the Opposition

By majority consensus it is recommended that the new Constitution make provision for the following:

- (i) the establishment of the Leader of the Opposition;
- (ii) that the Leader of the Opposition to be appointed upon a recommendation in writing by a majority of the Elected Members who stand in opposition to the Government; and
- (iii) the establishment and appointment of a Deputy Leader of the Opposition.

(23) Return of Bills by the Governor

It is recommended that, in accordance with the Commissioners' recommendation, section 40 of the Constitution be deleted.

(24) Dissolution of the Assembly (Section 47)

By majority consensus it is recommended that, in accordance with the Commissioners' recommendation, section 47 of the 1972 Constitution be amended to include the power to dissolve the Assembly by the Governor in his discretion, at any time (other than at the end of the Assembly's four year term) after consultation with the Chief Minister.

(25) Other Matters - Provision for Referenda

By majority consensus it is recommended that:

- (i) the new Constitution make provision for the holding of referenda;
- (ii) a referendum shall only be held in regard to issues of national importance;
- (iii) the holding of a referendum shall be subject to the passing of a Resolution in the Legislative Assembly by a majority vote of the Elected Members;
- (iv) that a referendum shall be advisory in scope only; and
- (v) the Legislative Assembly shall in due course pass a Referendum Law.

(26) Public Service Commission (PSC)

By majority consensus it is recommended that:

- (i) the new Constitution shall make provision that in making appointments to the post of Head of Department and above, the Governor shall be required to consult with the Chief Minister;
- (ii) the Commission shall be established **not** by law but by the Constitution and that the provisions of section 57 of the Turks and Caicos Islands Constitution Order 1988 be used as a model in this regard;
- (iii) in particular, an equal number of the members of the Commission shall be appointed after consultation with the Chief Minister and the Leader of the Opposition respectively; and
- (iv) the Chairman shall be appointed by the Governor in his discretion.

(27) Judicial and Legal Services Commission

It is recommended that the recommendations of the Commissioners be accepted.

(28) The Judiciary

It is recommended, in accordance with the Commissioners' recommendations, that the entire judicial structure be established in the Constitution.

(29) Attorney-General

It is recommended, in accordance with the Commissioners' recommendation, that the new Constitution make provision, similar to section 71 - excluding 71(1A) - and section 86 of the Bermuda Constitution Order 1968, for the appointment and dismissal of the Attorney-General to ensure his independence in such matters as the institution of criminal proceedings.

(30) Ombudsman

The Committee notes that it opposes the use of a Regional Ombudsman for the Islands.

It is recommended, therefore, that the new Constitution make provision for the establishment of an Office of Ombudsman, similar to the provision made in the 1972 Constitution for the Office of Speaker, so that if and when a Resolution is passed by a majority of Elected Members in the Legislative Assembly, same shall come into effect.

(31) Auditor-General

The Committee notes the Commissioners' recommendation that "the minimum constitutional provision to be made should refer to the power to appoint and dismiss (as in section 88 of the Bermuda Constitution Order, 1968).

It is, however, recommended that sections 32 and 33 of the Public Finance and Audit Law, 1975 (Law 23 of 1985) shall be the provisions for Auditor-General in the new Constitution. These sections read:

Appointment
of Auditor
General;

32.(1) The Governor, with the prior approval of the Secretary of State, shall appoint a person to be the Auditor General.

(2) The public officer who, at the date of commencement of this Law, holds the Office of Auditor General in the Government shall be deemed to have been appointed under this section.

(3) No person who is appointed under this section as the Auditor General shall, whilst he holds that Office, hold any other Office of emolument under the Crown in right of the Government.

Tenure of
Office of
Auditor
General.

33.(1) A person who is appointed under section 32 as the Auditor General -

(a) holds that office during good behaviour; and

(b) may -

- (i) be dismissed from that Office, or
- (ii) if he is an officer on the pensionable establishment and has not attained the normal age of retirement public officers, be required to retire from the Office; or
- (iii) if he is an officer on agreement, have his agreement unilaterally terminated,

only by order in writing by the Governor made with the prior approval of the Secretary of State.

(2) Where the Auditor General is dismissed or has been required to retire or has had his agreement unilaterally terminated under subsection (1) a full statement of the circumstances shall be made at the first opportunity to the Legislative Assembly.

(32) Register of Interests

It is recommended that the new Constitution make provision for a Register of Interests and that:

- (i) the Register shall only prescribe the registering of interests;
- (ii) the Register shall apply to all Members of the Legislative Assembly (Elected and Official); and
- (iii) the Legislative Assembly shall cause the passing of legislation in respect of a Register of Interests as and when deemed necessary.

(33) Pensions

It is recommended that the new Constitution make provision for the payments of all Government pensions shall be as of right.

(34) Date(s) of Coming Into Force

It is recommended that the following procedure for the implementation of the recommended constitutional changes shall be that:

- (i) the section on the increase in the number of Elected Members of the Legislative Assembly be brought into force in early 1992;
- (ii) the necessary consequential amendments to the Elections Law be made prior to the preparations for the next General Election to be held in November 1992; and
- (iii) the remainder of the new Constitution be brought into force immediately after the General Election.

I will now deal with Additional Recommendations Arising Out of the Committee's Submission to the Constitutional Commissioners on the 10th of January, 1991 and that reads as follows dealing with section 44. The Select Committee notes that the following submissions to the Commissioners were not addressed in their Report and recommends that the new Constitution make provision for same (pages 20 and 21 refer):

(1) Submission 15: Summoning of Council and Transaction of Business (Section 13)

No comment or recommendation was made by the Commissioners in regard to this submission.

It is recommended, therefore, that the 1972 Constitution be amended by deleting Section 13 in its entirety and substituting therefor the following (based upon section 22 of the BVI Constitution), and that the new Constitution make provision for same:

"The Executive Council shall not be summoned except by the authority of the Governor, acting in his discretion:

Provided that the Governor shall summon the Council if the Chief Minister or a majority of Elected Members of Executive Council so requests."

(2) Item 16: Submission of Questions to Council (Section 15)

No comment or recommendation was made by the Commissioners in regard to this submission.

It is recommended, therefore, that Section 15 of the 1972 Constitution be amended to make provision to the effect that: the Governor shall not be in a position to refuse a question put forward by a Member of Executive Council responsible for a particular subject.

(3) Item 19: Penalty for Sitting or Voting in Assembly when unqualified (Section 24)

No comment or recommendation was made by the Commissioners in regard to this submission.

It is recommended, therefore, that Section 24 of the 1972 Constitution be amended by

deleting the words "twenty pounds" where they so appear, and by substituting therefor the words "five hundred dollars"; and that the new Constitution make provision for same.

(4) Item 20: Standing Orders (Section 31)

It was noted that no comment or recommendation was made by the Commissioners in regard to the above submission.

It is recommended, therefore, that the 1972 Constitution be amended by deleting Section 31(1), by making consequential amendments to the renumbering of sections, and by providing therefore the following provisions:

(1) Subject to the provisions of this Constitution, the House may make rules of procedure for the regulation and orderly conduct of its own proceedings and the dispatch of business, and the passing, intituling and numbering of bills and the presentation of the same to the Governor for assent.

(2) The Rules of procedure of the House may provide that a rule shall not be suspended, or that the ordinary procedure for the dispatch of business shall not be departed from in favour of the exceptional procedure provided for in the rules, if such number of Members of the House as is specified by the rules object to such suspension or departure.

(5) Item 23: Voting (Section 35)

It is recommended that the Speaker's casting vote shall be cast to retain the status quo, and that Section 35(1) of the 1972 Constitution be amended by adding the words "in order to maintain the status quo" between the word "vote" and the fullstop at the end thereof.

(6) Item 24: Governor's Reserved Power (Section 38)

The Commissioners in their comments under the heading "Governor to Consult EXCO", on page 11, failed to take note of the Committee's submission.

It is recommended, therefore, that Section 38 of the 1972 Constitution be amended to include a new subsection similar to section 44(2)(a) of the Turks & Caicos Constitution as follows:

"The question whether the declaration should be made shall first be submitted in writing by the Governor to the Executive Council and if, upon the question being so submitted to it, the Executive Council advises him that the declaration should be made, the Governor may make the declaration".

(7) Item 28: Recalling Dissolved Legislature in Case of Emergency

No comment or recommendation was made by the Commissioners (see first paragraph on page 18 of their Report) regarding the Committee's submissions.

It is recommended, therefore, that the new Constitution make provision for the Speaker and Elected Members of the Legislative Assembly to remain as Members of the House up until the date following a General Election – similar to Executive Council at present.

(8) Item 38: Leader of Government Business

The Committee's submission to the Commissioners read: "The Committee, by majority consensus, recommends that provision be made for the Leader of Government Business in the Legislative Assembly to be an Elected Member of Executive Council".

The Committee notes, however, that this issue need not be incorporated under the new Constitution, but rather decided upon once the Chief Minister and Ministers have been appointed.

Appreciation: As previously mentioned the Committee is greatly indebted to the people of the Islands who assisted the Committee by way of their invaluable input, to the Constitutional Commissioners, to Her Majesty's Government for providing two Constitutional Commissioners, to the Government of the Cayman Islands for its commitment of having a Commission appointed to review the 1972 Constitution, and last, but not least, to Radio Cayman for the complimentary airing of the Committee's press releases and Open Line broadcast, to all the media of the Cayman Islands for their vast coverage and dedication in following the whole issue of the proposed constitutional changes for the Cayman Islands, to the Chairman of the Select Committee, Hon W Norman Bodden, OBE, JP, and to the Clerk of the Select Committee, Mrs Wendy Ebanks.

Dissenting Statements (Standing Order 72(4)(h)): In accordance with the provisions of Standing Order 72(4)(h) the Committee granted leave for Members to submit concise written statements of their reasons for dissenting from the Report of the majority. These Dissenting

Statements are accordingly appended to the Report hereto as Appendices I and II.

APPENDIX I

DISSENTING STATEMENT TO THE REPORT OF THE SELECT COMMITTEE OF ELECTED MEMBERS TO REVIEW THE CAYMAN ISLANDS (CONSTITUTION) ORDER, 1972

Submitted by:

Mr Truman M Bodden, MLA
Mr W McKeeva Bush, MLA
Mr John D Jefferson, Jr, MLA
Mr John B McLean, JP, MLA

1. We remain committed to the recommendation made by a majority of Members of the Select Committee and presented to the Constitutional Commissioners on 10th January, 1991, as "Recommendations on Changes to the Cayman Islands (Constitution) Order, 1972, to the United Kingdom Constitutional Commissioners". In this recommendation the Members decided:

"Ministerial Form of Government".

The Committee wishes to see a "Gradual moving into a ministerial system of Government, and considers it prudent to make provisions in the Constitution."

2. We feel that it is sufficient that the Members become Ministers with administrative responsibility for the departments under their Portfolios. Section 9(1) of the Constitution should include the words "including responsibility for the administration of any department of Government" similar to that provided in the Turks & Caicos Islands Constitution Section 12(1) and British Virgin Islands Constitution Section 18(1).

3. We believe that the provisions for a Chief Minister could be put in a new Constitution but only brought into effect upon a resolution of the Legislative Assembly after a General Election in which the new Constitution is an issue and when there are established political parties.

(7) COMPOSITION AND QUORUM OF EXECUTIVE COUNCIL

We recommend that the Financial Secretary be named as the Official Member of Executive Council and not "The Minister responsible for Finance" and that he be the Chairman of Finance Committee. Our reason for this is that an Official Member as Financial Secretary responsible for the Cayman Islands finances provides stability, continuity and confidence in the public and the private sector and financial sector of the Cayman Islands and is one of the checks and balances against rampant spending for political reasons which may occur by an Elected Minister.

(26) PUBLIC SERVICE COMMISSION

(27) JUDICIAL & LEGAL SERVICES COMMISSION

The Chief Minister and Leader of the Opposition should NOT be consulted on appointments to the Public Service Commission.

The INDEPENDENCE OF THE CIVIL SERVICE from political interference is fundamental to a stable Civil Service and stable Cayman Islands.

We feel that there should be no consultation of the Chief Minister in relation to Principal Secretaries or Heads of Department until a much later stage when the new Constitution (if any) is working well and the Cayman Islands have adjusted and stabilised to it.

We feel that the Judicial, Legal and Police Departments should remain fully independent and free from political interference as at present and that the Chief Minister should not be consulted for any appointments to these Departments.

THE COMMISSIONERS' RECOMMENDATION IS DANGEROUS AND LUDICROUS AND WILL UNDERMINE THE INDEPENDENCE OF THE WHOLE SYSTEM OF JUSTICE.

BERMUDA, which has the most advanced Caribbean Constitution and has full internal self Government excludes consultation of the Chief Minister on appointments to the Offices of:

"Attorney General, Commissioner of Police, Deputy Commissioner of Police, Auditor" and "The Offices of Magistrate, Member of any other civil court subordinate

to the Supreme Court and registrar of the Supreme Court or the Court of Appeal and of such other officers of the civil courts of Bermuda who are required to possess legal qualifications as the Legislature may by law prescribe." (Bermuda Constitution Sections 83 and 89).

The TURKS & CAICOS Constitution (Section 59) also excludes the Chief Secretary and Financial Secretary among most of those excluded from Bermuda.

We strongly recommend that the views of the Select Committee and the Constitutional Commissioners not be followed by the Foreign and Commonwealth Office in any Constitutional amendments which are the subject of this Dissenting Statement.

(34) DATES OF COMING INTO FORCE

We disagree with the Committee and the Commissioners' recommendations. All representations to the Committee which expressed views on whether an election should be held on the changes to determine the views of the public were strongly for an election or referendum and against the Commissioners' and Select Committee's recommendations.

We believe that any major constitutional change should only be brought about after it has been made an issue in and decided upon in a General Election by the people of the Cayman Islands and the Legislative Assembly has passed a resolution bringing the new Constitution into effect.

Our dissenting view is based upon the following:- (capitals are ours for emphasis)

1. The Legislative Assembly passed resolution 25/90 in the November 1990 Session which stated inter-alia:-

"And be it further resolved that this Honourable House recommends that the implementation of any recommendation for constitutional changes with the exception of the paragraph numbered 3 above (which was mainly the increase in Legislative Assembly seats - our comment) shall not take place without the changes being the subject of a General Election."

2. Further the Governor in statements made on 25th July, 1990, in the Legislative Assembly and published on the radio stated: "If there is a constitution commission and a report and if, as a result of that report United Kingdom Government believed that there were some changes necessary, I am ABSOLUTELY CERTAIN that these changes would not be proposed by the United Kingdom Government or implemented without them being the subject of a campaign and a General Election. I hope I have made this clear, I think it does need to be made clear, this is not an anxiety which anyone should feel."

3. The unanimously passed resolution 25/90 provided:-

"And Whereas a Constitutional review was not a campaign issue in the last General Election, nor was it publicly debated during the last General Election by any candidate or any present Elected Member."

Finally, we believe that changes to the Constitution should be gradual and cautious.

APPENDIX II

DISSENTING STATEMENT TO THE REPORT OF THE SELECT COMMITTEE OF ELECTED MEMBERS TO REVIEW THE CAYMAN ISLANDS (CONSTITUTION) ORDER, 1972

Submitted by:
Mr G Haig Bodden, MLA
Mr Truman M Bodden, MLA
Mr W McKeever Bush, MLA
Mr John D Jefferson, Jr, MLA
Mr John B McLean, JP, MLA

(16) PARLIAMENTARY SECRETARIES

We disagree with the Select Committee and the Constitutional Commissioners in relation to

Parliamentary Secretaries. We are not against Parliamentary Secretaries per se. However, we believe that they are created by and owe their existence to the Chief Minister and as stated by the Constitutional Commissioners in their Report, upon a vote of no confidence they fall with the Government.

All Governments are structured so that the Cabinet is smaller than the backbench and the addition of Parliamentary Secretaries in our small Legislature would alter this.

That, Madam Speaker, is the Report of the Select Committee Of Elected Members To Review The Cayman Islands (Constitution) Order, 1972, and in accordance with Standing Order 72(5) I beg to now formally move that the Report Of The Select Committee of Elected Members To Review The Cayman Islands (Constitution) Order, 1972, be adopted by the Cayman Islands Legislative Assembly for forwarding to the Secretary of State for Foreign and Commonwealth Affairs through His Excellency the Governor for the necessary action.

MADAM SPEAKER:

The question is that the Report of the Select Committee to the Legislative Assembly to Review the Cayman Islands (Constitution) Order, 1972, agreed by the majority that this be the Report and that it should be forwarded by His Excellency the Governor to the Secretary of State.

That is the question before the House, but at this time I will suspend the House until 2:15 for the debate thereon. The House is suspended until 2:15 P.M.

AT 12:55 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 2:22 P.M.

MADAM SPEAKER:

Please be seated. Proceedings are resumed. The debate on the Report of the Select Committee on the Report of the Constitutional Commissioners' Review of the Cayman Islands Constitution, motion to adopt the Report.

Trade.

The Honourable Member for Tourism, Aviation and

HON. W. NORMAN BODDEN:

Thank you, Madam Speaker.

Madam Speaker, I rise to speak to the motion which I moved earlier, the motion that the Report of the Select Committee of Elected Members to Review the Cayman Islands (Constitution) Order, 1972 be adopted by the Cayman Islands Legislative Assembly for forwarding to the Secretary of State for Foreign and Commonwealth Affairs through His Excellency the Governor, for the necessary action.

Madam Speaker, to begin I would like to record that it has been an honour for me to have served as Chairman of this important Committee and I would like to take this opportunity to thank all Members for their respect, their high record of attendance and their full support without which this Report could not have been as constructively completed as it has for presentation to this Honourable House today.

I must say that even though in the final analysis it was found necessary by some Members of the Committee to file a Dissenting Statement, each Member contributed substantially to the Committee's deliberations, giving selflessly of their time, experience and ability in dealing with this weighty and extremely important matter, the Review of the Cayman Islands (Constitution) Order, 1992.

I personally thank them as well as the Clerk of the Committee, Mrs. Wendy Ebanks, who put in many long, hard and difficult hours working with the Committee on this Report. I do not hesitate to state either, that there were times when controversial items were discussed for up to two and three hours and perhaps more, and progress seemed slow but of course this was necessary and a very crucial part of the process that this project has to follow.

As the Report records and as I believe it is significant to note, of the 42 recommendations made by the Committee for Constitutional Change, 15 were arrived at by a majority consensus, the balance of 27 recommendations being agreed to generally by all Members of the Committee.

Madam Speaker, the Terms of Reference of the Select Committee as set out in Private Member's Motion No. 25/90, I believe were fully and carefully complied with. The Constitutional Commissioners were invited to the Cayman Islands with part of their terms of reference being to ascertain and evaluate opinion in the Cayman Islands upon possible paths of constitutional, social and economic development. Their report, as it affects our present Constitution, was examined in great depth and approached with the seriousness that a project or exercise of this magnitude deserves.

I can say that at no time was any area taken lightly or treated in any way inferior. I can state too, without fear of successful contradiction that the Committee made every effort to invite and receive representations and to hear witnesses. No one was denied access to this Committee. No one was prevented from making their concerns and/or recommendations known to Members. Every possible media means at the Committee's disposal was utilised. Deadlines set were passed and extended and every written or oral representation was seriously considered.

So, I strongly object to any claim from anyone regardless of how well intended, that any procedure was rushed, that any opportunity was denied members of the public to have their say. No representation regardless how brief, was treated lightly. This very Report was released

beforehand so that the public would have it in advance, they would have it in hand for public discussions before this debate commenced today.

Madam Speaker, quite clearly and logically, in the final analysis, after every due consideration is given it is a fact that must be accepted that Elected Members hold the burden of responsibility to take a decision as to what, in their opinion, is necessary to be included in those recommendations. They have the burden of responsibility to decide what would be most suitable to the Cayman Islands. This is the role of all Elected Members and as such one must accept that we cannot be all things to all people. There comes a time when you must take a stand, make a decision and stand by it.

I know that recent expressions of concern have been made by some sectors of the community and I highly respect their rights in this free and democratic country of ours but in listening to the varying opinions, I have to ask the questions: When would we all agree on the right time to take this action and what would we all agree would be best? I maintain that that exact position would never be arrived at for various reasons, resistance to change being one of them.

So we must, like all other democratic countries, be able to abide by the principle where the wishes of the majority are followed and while there may be differences of views as to whether we have arrived at that point or position or not, that is a majority position, I have to say that the practice and procedure which has always been established and followed has been applied to this project.

I can truthfully say that everything as set out in the motions that have been accepted have been followed to the letter. Furthermore, it must be accepted that no Government, this or any other, no Legislative Assembly, this or any other, will ever reach the stage where it will produce a document of this importance that will be acceptable to all who live in these Islands. It certainly did not happen in 1971, it is not the case today in 1991, and I would venture to say neither would it be the case in 2001. This is a fact that must be faced, not postponed.

The Committee in complying with Term of Reference number (3), and I quote that here:

"to consider whether any recommendations necessary for the conduct of a General Election should be implemented prior to a General Election has recommended in section 34 of its Report that the section on the increase in the number of Elected Members of the Legislative Assembly be brought into force in early 1992."

This is therefore the only change that is being recommended that should be made prior to the 1992 Election which very obviously would have to be made for all practical intents and purposes. It can therefore be correctly stated that we have today reached what I would consider to be the halfway mark, stage four of this exercise, with still four remaining steps to be taken as stated by the Foreign and Commonwealth Office through His Excellency the Governor. We are today dealing with the debate of this Report and the outcome of this motion will be reported through the Governor, to the Secretary of State for the Colonies by the end of November this year.

Next, the Secretary of State will consider and evaluate the Reports and a draft of the changes to be made to the Constitution will be prepared. I think the Governor, in his letter, explained that there was reference to a new Constitutional document simply because it would be more practical to provide a new document rather than to try to add on the changes and amendments that are considered.

It should also be noted that the Committee has requested that the draft Constitution be returned for further discussions by Elected Members before an Order in Council is made by the United Kingdom Government.

The next General Election is to be held in 1992 and there can be little doubt that it is at this time that an even wider public debate on the proposed constitutional changes will take place. Therefore, I do not understand those who claim that constitutional change is not being made an Election issue. In my humble opinion it simply cannot be made into one before the Election is held. The public will then decide, as they always have, at the polls. This is the process that we know and trust.

It has already been made clear by the Foreign and Commonwealth Office that the Election results will be carefully taken into consideration and the decision will be taken by the United Kingdom Government how to proceed and I quote, "taking due account of the opinion of the newly elected Members."

This is the stage when the Constitution will or will not be implemented if changes are made. However, I think one has to be a realist and it would be hard to believe that in view of the thorough and long process that this exercise has taken, that some changes will not be seen as necessary by the United Kingdom Government after taking all things into full consideration. So anyone who claims that the public is being left out of this process or being denied their democratic rights can only be termed alarmist, to say the least.

Dialogue has continued between the Committee and the public. Public input has been taken into consideration. This has always been an integral part of the process and it would seem to me that it has been made clear time and time again that this dialogue will continue with the public. The Committee, by action, word and deed, has fully demonstrated this, that public input is welcome, necessary and will be considered fully.

Now some people have questioned why is it necessary to make any change at all. In response to this I can only repeat some of the views I expressed at the public meeting in George Town that the Member for Communications and Works and myself held on this matter

some months ago. I share the view with many others that the 1972 Constitution has served us faithfully and well but there can be little doubt that development since then dictates that some change is necessary.

Just to support my position on this point I will borrow one line from the Commissioners' Report where they said and I quote: "We believe, however, that the passage of time has revealed defects in the present Constitution which should be remedied if stability and prosperity are to be assured.". Anyone who believes that these are empty or careless words is just ignoring reality and the needs of a developing progressive country.

In my opinion, our present Constitution was designed for a time and place in these Islands when 12 truly independent representatives were elected to our Legislature and the procedure followed that the country's affairs in the Legislative Assembly were conducted by consultation and consensus, similar to what remains the case today in Executive Council. We all know that this is not now the situation nor has it been the case since 1976 when closely aligned political groupings or teams emerged and operated in a political party style, which the present Constitution was not equipped nor intended, or geared to handle. That is the situation as it exists today.

There can therefore be little doubt that through the years and through our growth and development process, through changing times and conditions, that a certain amount of strain and stress has been brought to bear on the 1972 document and that if left unattended, it could undermine the future well-being of our country. This might be contrary to the views of some but this is my opinion having worked for 11 years under the system.

As I have said earlier, there will always exist differences of opinions and this can be healthy and constructive but because these exist one should not attempt to postpone or ignore the need to update and streamline the most important document which dictates how this country's affairs must be handled and then can we continue to expect that all will be well.

In my view this is the Constitutional Commissioners' assessment of the situation here and so they have basically said, "Caymanians, if you want to maintain political stability then we recommend that it is time that you update the system by which your country is operated.". This cannot be achieved by making piecemeal, ad hoc amendments to fit specific situations that might arise unexpectedly which has been attempted by others in the past. This will only create chaos and confusion. In my opinion, any change to a document as important as a country's constitution must be approached and handled in the thorough, democratic, organised and businesslike fashion that this Review has followed thus far.

Before I take my seat just let me repeat one consideration in this country which the Constitutional Commissioners found and reported on, one which I fully endorse and support 100 per cent. In spite of any political differences that may exist between the Members of this House, one on which I believe there is unanimous agreement amongst us and that is, and I quote the Commissioners exact words here:

"If there are any issues on which Caymanians are agreed they are that existing links with the Crown must be maintained and that any constitutional change must not only preserve stability but must also stop appreciably short of full internal self-government, the penultimate stage before independence. There is no wish whatsoever to alter the present status of the Islands as a dependent territory on which it must be said much of the prosperity may depend.

Conservative and cautious by nature many Caymanians approach the issue of Constitutional change if not with suspicion, at least with some degree of apprehension."

I say that this is also the summary of my message to the Secretary of State for the Colonies. This lengthy and detailed project we have embarked upon is one of vital importance to all who reside in these Islands as well as to future generations. I believe that we have so far approached it with due care and consideration and this process and pattern should continue to its conclusion. What this discussion, debate and many hours of hard work is all about is a system, not personalities, a revised system that functions well and continues to preserve those fine Caymanian qualities that have helped to bring us success thus far.

I will therefore conclude by repeating my opening remarks to the Select Committee at one of our very first meetings and I said words to this effect: "Members, we are meeting here to undertake one of the most important projects in this country. We must put politics and personalities aside for the time being in an effort to provide an improved system designed to serve this country well for the next 25 or even 50 years and long after those who today fill these seats are gone from the political scene."

Madam Speaker, this is not an "us" and "they" situation. This is not a Government and Backbencher's project and it should not be seen as such. We are all in this thing together. I believe that any attempt by anyone to sabotage or to stop this process in midstream is not in the best interest of our country.

Madam Speaker, I support the motion for this House to accept the Select Committee's Report and I commend it to all Honourable Members.

Thank you.

MADAM SPEAKER:

Honourable Members have a lot that they would like to say, would some Member please continue the discussion?

Since no Member has caught my eye then I would assume that no one wishes to debate that the Committee's Report be adopted and I shall be forced to put the

question.

QUESTION PUT: AYES & NOES

MR. G. HAIG BODDEN:

Madam Speaker, may I have a Division, please?

MADAM SPEAKER:

With pleasure.
Madam Clerk, would you take a Division?

DIVISION NO. 31/91

Noes: 5

Mr. W. McKeeva Bush
Mr. John D. Jefferson, Jr
Mr. Truman M. Bodden
Mr. G. Haig Bodden
Mr. John B. McLean

Ayes: 10

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

AGREED BY MAJORITY:

THAT THE REPORT OF THE SELECT COMMITTEE BE ADOPTED AND FORWARDED BY HIS EXCELLENCY THE GOVERNOR TO THE SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS, UNITED KINGDOM.

MADAM SPEAKER:

I shall move to the.....

MOTION (STANDING ORDER 24(9)(VIII))

MR. W. McKEEVA BUSH:

...Madam Speaker, before we get to the next item under Standing Order 24(9)(viii), I wish to move the following Resolution:

"WHEREAS there is a large amount of people in these Islands opposed to constitutional changes at this time, and wish it to be an issue at the next General Election;

BE IT NOW THEREFORE RESOLVED that...."

MADAM SPEAKER:

Honourable Member, may I.....

HON. BENSON O. EBANKS:

On a Point of Order, Madam Speaker....

MADAM SPEAKER:

...just one minute, please. May I ask if this is, in substance, the Private Member's Motion which was attempted to be put in this morning?

MR. W. McKEEVA BUSH:

Madam Speaker, I do not know if you want to say it is in substance, it is asking for something different from what we asked for this morning. I will pass a copy to you and.

MADAM SPEAKER:

I think I would need to have a copy of it before I can make a decision, please. I need to have a copy before you do try to get the motion in, please. If you would be so good?

MR. W. McKEEVA BUSH:

Madam Speaker, I wonder if you would take the break? That would give us a minute then. Can you take a break, Madam Speaker? I think it would serve the House well.

MADAM SPEAKER:

Five minute break?

MR. W. McKEEVA BUSH:

Five minutes. Thank you, very much.

MADAM SPEAKER:

The House is suspended for five minutes.

AT 2:53 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 3:13 P.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed. The First Elected Member for West Bay under Standing Order 24(9)(viii) was attempting to present a motion arising, as he stated, out of an item of business which had been concluded by the House and I have to rule that this cannot be allowed because the question of the Committee's Report was presented to the House. The motion was moved for its adoption and the question having been put, there was a very clear majority 10 to 5 that the Committee's Report be adopted and the procedure will now be that it will be presented through His Excellency the Governor, to the Secretary of State. In those circumstances the Member's motion cannot be allowed.

MR. W. McKEEVA BUSH: Madam Speaker, would you allow me to address you on that matter?

MADAM SPEAKER: You may.

MR. W. McKEEVA BUSH: Madam Speaker, I listened to your reasons for not allowing the motion and I want to say to you that I will disagree with your ruling. I will have to abide by it, but I disagree with your ruling because it is not based on the Standing Orders, at least, the reason that you have given is not based on the Standing Orders.

The Standing Orders, Madam Speaker, that I referred to, Standing Order 24(9) recommends that "The following motions may be made without notice -". Subsection (9) (viii) says, "a motion arising out of any item of business made immediately after that item is disposed of and before the next item is entered upon;", and while you say Madam Speaker, that all those things have happened, you are quite correct.

Where I think you are wrong is that our Standing Orders allow me to make a motion, any motion out of that particular item of business. As I said, you are wrong, in my opinion, but I will abide by your ruling if that is so.

MADAM SPEAKER: Well, you are at liberty to have your opinion. I have made my ruling and it will stand unless there is a substantive motion to counteract that, moved by any Member. This brings us to the end of the proceedings set down for today and I will ask for a motion for the adjournment of the House.

ADJOURNMENT

HON. THOMAS C. JEFFERSON: Madam Speaker, I move for the adjournment of this Honourable House until the 15th of November, 1991.

MADAM SPEAKER: The question is that this Honourable House do now adjourn until the 15th of November, at 10 o'clock, 1991.

MR. G. HAIG BODDEN: Madam Speaker, I would just like the record to show clearly that the three Official Members voted on the motion to change the Constitution.

MADAM SPEAKER: Well Honourable Member, I am not at liberty to change the recordings. That has been recorded and I do not think it necessary for me to say anymore about that. It was quite clear. I will put the question. Those in favour please say Aye...Those against No.

AYES and NOES

MADAM SPEAKER: The Ayes have it. The House is accordingly adjourned.

AT 3:17 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., FRIDAY, 15TH NOVEMBER, 1991.

**FRIDAY
15TH NOVEMBER, 1991
10:07 AM**

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. The Legislative Assembly is in session.

Presentation of Papers and Reports: The Draft Estimates of Revenue and Expenditure of the Cayman Islands Government for the Year 1992. The Honourable First Official Member Financial Secretary, Leader of Government Business.

PRESENTATION OF PAPERS AND OF REPORTS

**THE DRAFT ESTIMATES OF REVENUE AND EXPENDITURE
OF THE CAYMAN ISLANDS GOVERNMENT FOR THE YEAR 1992**

HON. THOMAS C. JEFFERSON:

Madam Speaker, I beg to lay on the table of this Honourable House the new formatted Draft Estimates of Revenue and Expenditure of the Cayman Islands Government for the year 1992.

MADAM SPEAKER:

So ordered.

GOVERNMENT BUSINESS

BILLS

FIRST READING

THE APPROPRIATION (1992) BILL, 1991

ACTING CLERK: First Reading The Appropriation (1992) Bill, 1991.

MADAM SPEAKER:

The Bill is deemed to have been read a first time and is set down for second reading.

SECOND READING

THE APPROPRIATION (1992) BILL, 1991

ACTING CLERK: The Appropriation (1992) Bill, 1991.

THE BUDGET ADDRESS
Delivered by the Honourable First Official Member

HON. THOMAS C. JEFFERSON:

Madam Speaker,

Each year the Budget Address is presented with the intention of conveying to this Honourable House and the public an accurate account of the Financial Affairs of Government and the state of the World and local economy.

This not only serves to keep the people of this country informed of Governments programmes of expenditure and the state of the Economy, but also to factually represent the known position on Revenue and Expenditures, Public Debt and General Reserves.

In presenting this Budget Address, I must remind this Honorable 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 development 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.

In terms of the U.S. economy on which our economy depends very heavily for its performance, real growth fell from 2.5% in 1989 to 0.9% at the end of 1990, meanwhile inflation rose from 4.6% to 6.2%. Economic recovery in the United States is still sluggish, leading to strong doubts in the U.S. business and financial communities that the recession is over, despite official views to the contrary.

Madam Speaker, with these brief introductory remarks, I now turn to a summary presentation of growth in the Cayman economy for the period 1990 to the second Quarter of 1991.

GROWTH IN THE CAYMAN ECONOMY: A SUMMARY

Gross Domestic Product (GDP)

Madam Speaker Gross Domestic Product in Lay Man's Language is a measure of the income generated within the Cayman Islands economy in a Particular Year.

In 1990 the Gross Domestic product was \$454 million, an 11.27% increase over 1989 position of \$408.4 million. These figures are reduced to take account of inflation each year. In Economist's language we refer to this growth as "real growth".

Employment

Preliminary employment estimates for 1990 showed a 3 percentage points increase in growth over 1989. The comparative overall employment figures for 1988 and 1989 showed growth rates of 9.3% and 5.4% respectively.

Inflation

For 1990 as a whole, the rate of inflation (as measured by the consumer price index) rose to an average of 7.7% compared to the 1989 average of 6%. The build-up of inflationary pressures which dominated the last two Quarters of 1990 as a result of the world-wide oil price increases have not abated, and in fact have been carried over into the first three Quarters of 1991, despite the dramatic fall in oil prices on the world market to approximate their pre-Gulf crisis levels. 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 unfavorably, with the 1980-1990 long-run average rate of 6.2%.

Madam Speaker, undoubtedly, a number of factors together has contributed to the continuing inflationary pressures on the economy, but I would just like to briefly suggest two. One is the conditions in the labor market. With the resumption of upward overall growth following the slowdown in 1989, it is inevitable that wages and salaries would be driven up by the keen competition for scarce labor among employers. The second factor is that the fall in oil prices at the end of the Gulf War does not appear to have been translated into lower consumer prices in general, as one would have expected.

Domestic Demand

Following the observed slowdown in 1989, overall demand rebounded during 1990 to the second Quarter of 1991. Consistent with a 3.6% growth in consumer goods imports during 1990 compared with the 2.8% growth in 1989, the value of retail sales in 1990 was 6.5% compared to 3.5% in 1989. Government consumption expenditure jumped from 6.6% in 1989 to 23.5% in 1990. However, local investment in terms of domestic fixed capital formation fell by 6% in 1990. Within this total, the "book value" of approved building and construction expenditures rose by only two-tenths of 1% over the 1989 growth rate of 11.4%. Taking these four demand components -- consumer goods imports, retail sales, government consumption expenditure, and local investment -- together, the growth rate of total domestic demand in 1990 was 5.6% compared to 3.1% in 1989.

Trade

Madam Speaker we have been for sometime diligently working on quantifying how much this country earns from the offshore Financial Centre and Tourism Activities. We are not yet completely satisfied (due to the absence of some data) with the results so far but I will give a provisional estimate. The total value of imports in 1990 was \$237 million an and increase of 10.7% over the 1989 position of \$214 million. However, provisional estimates of exports from Tourism and Financial Services show total exports of \$391 million in 1990 up from \$336 million in 1989 a 16.4% increase.

Tourism

Madam Speaker, despite the adverse conditions that prevailed in our main overseas tourist generating markets last year, in terms of the efficiency in public spending, our tourism sector performed reasonably well. However, the effects of seasonality on the sector, and the economy as a whole, particularly with reference to public revenue is some cause for concern as this directly impacts import duty and tourist accommodation tax.

The Labor Market

Madam Speaker, in terms of labor demand, between October 1990 and the end of September 1991 there was an overall advertized demand for 2,744 persons to fill job vacancies that occurred over that period of time.

In 1990, the demand for labour was heaviest in October, November, and December. This year January, July, August and September were heaviest. These seven months accounted for nearly 75% of total labor demand over the October 1990 to September 1991 period.

On the supply side of the labor market, a total of 2,376 work permits were granted over the twelve-month period. In contrast to the pattern of the monthly demand for labor, September, May, April, July, March, June, and January in that order, were the months in which the largest amounts of work permits were granted. Those seven months accounted for a little over 76% of the total number of work permits supplied to employers over the October 1990 to September 1991 period.

ECONOMIC PROSPECTS FOR 1992-1993

The short-term economic outlook 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 U.S. economy. The general consensus outlook in the U.S. is that although growth in that economy continues to be sluggish, overall real growth is expected to be 3.3% in 1992 and about 2.6% in 1993, compared to the 0.9% real growth for 1990.

Given the predominant influence of the U.S. economy on the local economy, a 3.3% and a 2.6% stronger growth in 1992 and 1993 respectively, if materialized, would generate positive impacts on the local economy. Although the overall tourist arrival figures for the first half of this year may not have been as robust as the same period last year, we believe that the comparatively less robust amount of stay-over arrivals will reverse itself over the first half of 1992, because, this year's less-robust arrivals were probably a short-term occurrence. If as expected, tourist demand is stronger in 1992 than in 1991, then overall moderate upward growth in the economy could at least run between 10% and 12.5% in real terms, assuming an 8% lower threshold of real growth.

This rather optimistic prognosis depends, however, on whether or not current inflationary pressures on the economy continue to outpace the long-run average rate of 6.2%, or fall significantly below the end of September average annual rate of 9.0%. 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.

IV. OVERALL PUBLIC FINANCE MANAGEMENT

Madam Speaker, I now turn to the question of public finance management. I shall focus on some of the institutional steps we have undertaken so far in an effort to improve overall management of public finance. But before I do so, I will have to present a review and analysis of past fiscal performance in order to facilitate understanding of the measures we have so far implemented.

Fiscal Performance

Overall, public financial performance declined in 1990 due to a combination of slow growth in the amount of revenue collected and a substantial increase in recurrent spending. Total revenue collected from local sources rose from \$96 million in 1989 to \$102 million in 1990 in nominal terms, but the growth rate in 1990 was 6.3% which is a little less than half the growth rate of 12.9% in 1989. The slower rate of growth of revenue collected from local sources, may have been due to a number of factors, two of which were "the conversion of the net-revenue-earning Water and sewerage section of the Government into a statutory body at the beginning of 1990"* and the second of which may be the delayed public-revenue effect of the slowdown in economic activity during 1989, which negatively impacted on a number of traditionally buoyant local revenue sources e.g., Stamp Duty.

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 GDP in nominal terms compared to 16.3% in 1989, and was due in part to the 22% increase in public sector salaries. Thus, Government's consumption of GDP in 1990 was only a nominal 1% greater than in 1989.

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. In contrast to the pessimism expressed in some quarters last year, there is no evidence to date that the deficit on the 1990 revenue of approximately \$14 million has traumatized the economy. 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.

The public external debt portfolio comprises two principal segments: public debt and self financing debt outstanding. Public, plus self financing debt outstanding at year-end 1990 was \$30.6 million. The corresponding outstanding amount at year-end 1988 and 1989 was \$28 million and \$29.8 million respectively. In terms of growth, there was a falling trend in the size of the overall amount of public debt outstanding between 1988 and 1990. In 1990, the size of the total public external debt portfolio increased by 2.7%. The comparative growth rates for 1988 and 1989 were 23.8% and 6.6% respectively. This falling trend is further underlined when the size of the overall public external debt portfolio is related to domestic revenue and overall growth in the economy. Public external debt as a percentage of total revenue collected from domestic sources fell from 32.9% in 1988 to 31.0% in 1989 and to 30.0% in 1990; and as a percentage of nominal GDP, the corresponding figures were 6.5% in 1988, 6.0% in 1989, and 5.1% in 1990.

The larger segment in the public external debt portfolio is publicly guaranteed debt which more than doubled in size between 1989 (\$10.4 million) and 1990 (\$25 million) mainly caused by the transfer of the Water Authority's debt from Public debt to Self financing debt. Overall, principal repayment on total public external debt in 1989 was \$2.1 million and \$2.2 million in 1990, an increase of 4.8% which compares favorably with the 30% increase in 1989, while interest payment remained approximately the same (\$2.37 million) in 1990 as was the case for the previous year.

Madam Speaker, one conclusion that may be drawn from this review, is that, overall, public finances have been reasonably well-managed as best as circumstances appeared to have warranted. However, further analysis by the EDU suggests two areas of immediate concern. One is the growth trend in public expenditure in relation to the growth trend in realized local revenue. Ideally, and at a minimum, the growth trend in actual total public expenditure should follow the growth trend in local revenue. On the contrary, what analysis undertaken by the EDU has shown is that realized local revenue appears to have been public expenditure driven. The main reason for this is that the growth trend in recurrent expenditure has been rising much faster, and much sharper than the growth trend in realized local revenue, particularly over the past three years -- 19.8% for realized local revenue versus 42.0% for recurrent expenditure. Between 1989 and 1990, the growth relationship between realized local revenue and recurrent expenditure deteriorated even more sharply -- 6.1% upward growth for realized local revenue versus 27.0% increase in growth for recurrent expenditures. Thus, while realized local revenue has been trending downwards sharply over the past three years, particularly between 1989 and 1990, recurrent expenditure in contrast has been trending upwards sharply. In other words, Madam Speaker, growth in realized local revenue has been significantly lagging behind growth in recurrent expenditure, and ideally, one would have liked that it was the other way round.

One further point must be made, Madam Speaker, regarding the growth trend in realized local revenue in relation to the growth trend in recurrent expenditure, if we are to fully understand where public finances may be heading. 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. Consequently, in order to head off further growth along these divergent growth paths, it is imperative that we enforce a policy of greater convergence between growth in realized local revenue and recurrent expenditure. This will demand the investment of new, more realistic, and bold policy thinking, as well as a strong dose of economic logic and systematic planning in recurrent expenditure budgeting and spending.

Steps taken to improve Overall Fiscal Management

Madam Speaker, I have just presented a brief review of the performance of public finances for the period 1986-1990 based on analysis that we have done. While I have identified and outlined areas of strengths, I have also identified and outlined areas of weakness. 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. I now turn towards the institutional actions we have so far implemented, particularly for the preparation of the 1991-1992 Budget.

Goals of Fiscal Management

Our on-going goal is to improve the overall efficiency and effectiveness of public spending. Madam Speaker, efficiency and effectiveness in public spending is not something

we can will, to make it happen, and neither merely talking about it can accomplish it. Rather, the goal of efficiency and effectiveness in public spending is something we have to continuously work at to accomplish. Our short- to medium-term goals are to (a) halt and stabilize the trend towards greater imbalance between realized local revenue and budgeted expenditures before this divergent trend put us on a path towards fiscal instability. Attainment of this goal will continue to require that steps be taken from time to time to achieve a sustained convergence between public expenditure planning and budgeting at the level of all account centers in Government; and (b) to reduce the net transfer of financial resources to external creditors. Attainment of this second goal will continue to require that realistic institutional steps be taken from time to time to prevent the emergence of excessive external debt obligations.

Improvements in Budgeted Expenditure Management

Critical to the attainment of the above goals is how the money we budget each year is actually spent at the level of each and every account center of Government, and critical to how budgeted resources are actually spent at these levels is the principle of prudent and stable budgeted expenditure management. There has been a tendency in the past to consider fiscal prudence mainly at the overall level; so that if at this level revenues equal expenditure, then the budget is considered balance in a broad sense. While the attainment of overall budgetary balance is a 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. For although the budget may be balanced in the overall sense level this year, or the next year, it is principally how the account centers manage their budgetary allocations every year that will determine the ease or the difficulty with which we will be able to achieve and sustain overall budgetary balance, from one year to the next, given the observed trend in realized local revenue.

For this reason, Madam Speaker, I am proposing a more all-embracing concept of fiscal prudence which I have exhorted all account centers to endeavor to abide by in the management of their budgetary allocations. 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. Madam Speaker, this is the "prudent man" rule on which many financial practices in the business community, particularly the financial sector are based. 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.

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. Madam Speaker, in this regard, the role of the Internal Auditor will be of supreme importance, for it is at the account center level that budgetary imbalance most often occur. Thus, in addition to the measures we introduced last year, such as expenditure authorization on a quarterly basis as opposed to the annual warrants of previous years, the Internal Auditor will be instructed to undertake periodic review and analysis to determine the degree of internal economic efficiency with which budgeted allocations are being utilized.

Madam Speaker, prudence in budgeted expenditure management at all levels of government will mean an emphasis on clear priorities in public expenditure planning, and concentration on quality rather than quantity spending. In this regard, we have enhanced the Budget Preparation Guidelines to ensure that budget submissions by account centers clearly demonstrate operational priorities and quality in public spending. In last year's Budget Presentation, I indicated that if we are to control the total level of public spending, and allocate it efficiently, Government must set clear, unambiguous, realistic, and internally consistent spending priorities. In this regard, the Budget Preparation Guidelines we have implemented this year is a step in this direction, and they reflect a number of public expenditure planning and management considerations including the following. First, there must be a demonstrated appreciation of where Government involvement is necessary, either on a short-term or long-term basis, and conversely, where the private sector can be relied upon to provide the same service as well or better. Second, there must be a demonstrated understanding of how limited material and human resources can be spent and utilized most efficiently and effectively in the areas where public involvement is both desirable and necessary or critical. Third, all account centers in Government must demonstrate an awareness of specific budgetary resource constraints and must undertake to abide by them in planning and preparing their annual budgetary submissions. Fourth, account centers must make a clear distinction between essential recurrent spending and optional recurrent spending or essential programs and optional programs.

Setting priorities for public spending is only the first step. Thus, equally important, the Budget Preparation Guidelines also reflect the importance of quality spending over quantity spending. The quality dimension of public spending particularly on the recurrent side, has to do with standards and performance, so the question of quality in public spending must inevitably deal with performance standards and objective measurement and evaluation of performance against those standards.

The question of quality in public spending embedded in the Budget Preparation Guidelines is based on a number of considerations including the following. First, monies allocated to each account center each year -- whether the amount allocated is to pay salaries or to purchase items -- are inputs to the particular activities or set of activities which the particular account center has determined in its departmental plan, to be priority undertaking.

Second, public monies spent as inputs should be directly related to clearly-defined "public" outcomes. This is perhaps the most important consideration. If the public trusts us to spend its money, then the public has a right to know what it is going to get for its money. Thus, the amount of money spent as inputs must be directly related to clearly-specified outputs.

The third consideration is that these outputs should be clearly verifiable in objective terms as far as possible. The fourth consideration is that the outputs produced from the resources inputs generate effects, and the effects in turn produce impacts. The fifth consideration is the assessment of results. It is the assessment of results that helps us determine whether the money we spent has been quality public spending as distinct from quantity public spending, whether we have achieved the desired outcomes on which the spending has been premised in the first place, and whether the desired outcomes achieved, fully justify the amount of money spent.

Institutional mechanisms for more efficient and effective public expenditure management

Madam Speaker, in addition to the Budget Preparation Guidelines we have implemented, there are two other standing institutional mechanisms implemented, in the pursuit of the on-going goal of improvement in the overall efficiency and effectiveness of public spending. These are the Public Sector Investment Committee (PSIC) and an External Public Debt Management System.

The Public Sector Investment Committee (PSIC)

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. In terms of the first aspect of this mission: advising Government on the investment quality of capital projects proposed by portfolios and departments, several characteristics of the investment projects may or may not contribute to the quality desired in public spending, and are therefore important determinants of the success of public spending. 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. In terms of the second aspect of the PSIC's mission: assisting Government in ensuring the operation and maintenance of the quality of these investments, part of recurrent spending, is spending on the operation and maintenance of these capital investments, and is therefore critical for the success of such investments in promoting economic growth and development. On the one hand, inadequate spending on operations (whether supplies or personnel) can lead to low levels of effectiveness, resulting in the failure of capital investment projects which would have been otherwise successful. On the other hand, excessive spending on operations is a burden on the recurrent side of the budget. Similarly, on the one hand, inadequate spending on maintenance can lead to rapid deterioration of physical capital, and on the other hand, excessive spending on maintenance may force a choice between a new investment and continued high cost of maintenance. In such cases, the relative cost-effectiveness of these choices would have to be examined.

External Public Debt Management

The second institutional mechanism we have developed is an External Public Debt Recording and Management System. The mission of this system is to assist the Government to properly manage external debt, which involves avoidance of unsustainable debt servicing and external credit crisis, with active management of external debt, which involves on-going analysis of the debt market, the most cost-effective borrowing opportunities available to Government in the debt market, as well as assisting the Government to more closely monitor the growth and the performance of the external public debt portfolio.

The system is being implemented with virtual "cost-free technical assistance" from the Commonwealth Secretariat in London, under the Commonwealth Fund for Technical Cooperation. One major component of the system is currently being implemented; implementation started in July this year. This component is a computer-readable data base on both the public debt and the publicly-guaranteed debt portfolios. Its main functions include a systematic inventory of both public and publicly-guaranteed debt, statistical analysis, forecasting, and debt reporting to complement and facilitate overall management of Government's exposure to external debt obligations.

Finally, the central mechanism for overall fiscal administration and Central Government Budget Preparation seeks to integrate the institutional steps for improved public expenditure management outlined previously into a more effective and efficient overall fiscal management machinery. Two additional considerations must be mentioned here. One is that expenditure should be driven by revenue instead of revenue being driven by expenditure. This implies among other things, that the level of budgeted expenditures each year should more closely reflect the actual and projected or forecasted level and rate of growth in the economy, and the likely level of revenue that can be realized, and an assessment of the likely impact of a given level of budgeted expenditure on the future level and rate of growth and development in the economy. The second consideration is that budgetary submissions from account centers will be examined within the context of their officially-approved mission statements, their program of work for the year their budget submissions cover, the goals and objectives of their program of work, expected outcomes, targets of achievements, and how those achievements will be verified.

V. DEVELOPMENT POLICY EMPHASES IN FISCAL 1992

Madam Speaker, over the years, the Government has placed

major development emphasis on tourism, education, health, social services, and road improvement and expansion works. These are areas of continuing priority development emphasis, although the short-term, medium-term, and long-term emphases may shift to different aspects of each area according to the circumstances that prevail from time to time. Nevertheless, as a matter of general development policy, and public record, it must be emphasized that tourism, education, health, social services and road improvement and expansion will be continuing policy priorities for fiscal 1992. On the other hand, Madam Speaker there are areas of new and not so new policy priorities that should also be emphasized.

In terms of Health and Social Services, priority areas of emphasis during 1992 will be as follows: Firstly, to develop new legislation to replace the Public Health Law and Health Practitioners Law. Secondly, to implement the findings of the three major consultancies: the Youth Services Review, the Solid Waste Management Review and the design of the New Hospital; and construct, long term development plans for Social Services and Environmental Health. Thirdly, continued support for the World Health goal of "Health for all by the year 2000", will be given through increased promotional activities targeting the non-communicable diseases. We will keep up-to-date on health initiatives regionally and internationally, and cooperate with counterparts to improve the health status, particularly for the people of the Caribbean region.

Agricultural Development

Although priority emphasis on agricultural development is not so new, in terms of the implementation of the first ever Five-Year Agricultural Development Plan, commercial agricultural development in the Cayman Islands is an "infant industry" and therefore needs continued priority policy consideration if it is to become an "adult industry". Second, to make commercial agricultural development a priority in overall development policy direction in the Cayman Islands, is a bold and courageous policy commitment, given the enormity of the human, cultural, and natural resource constraints on commercial agricultural development that exist in these Islands. Madam Speaker, many of these constraints still exist, and some will never be eliminated, but there is strong evidence that some of these constraints are beginning to loosen up, so that there is a fairly wide-spread base of community support for agricultural development today which perhaps was not there two or three years ago.

Madam Speaker, since I believe the Honorable Member responsible for agricultural development will address agricultural development priorities for 1992 more fully in his presentation, I will just briefly outline what some of these priorities are, together with a few additional observations. Government will pursue two categories of priority undertaking in Agriculture during 1992. The first category consists of continuing priority areas of agricultural investment activities. These include:

- a) Development of farm roads, and provision of water facilities for livestock farming on Cayman Brac;
- b) Crop research and livestock development;
- c) Provision of overseas agricultural training for existing full-time staff including two (2) Caymanians;
- d) Provision of on-farm training for practising full-time farmers; and
- e) Policy re-examination of the feasibility of construction of slaughtering house facilities.

New Agricultural development priorities for Fiscal 1992 will include:

- a) Physical expansion of the Farmers' Market and equipping; and,
- b) Relocation of existing laboratory plant facilities from the Department of Agriculture to Smith Road.

Manpower Planning

Madam Speaker, it is a long-held and universally-accepted fact that the inadequacies of the available pool of trained local manpower is a major constraint on stable upward growth in the economy. Over the years, we have been able to partially address this constraint through a policy of importing labor from various overseas countries. While the economy will continue to depend largely on overseas labor for continued growth for some time to come, depending primarily on a policy of importing overseas labor to deal with the economy's growth needs for trained manpower, is not an entirely satisfactory development solution to the economy's long-term needs for trained manpower, nor is such dependence an entirely satisfactory approach to the demand for strong growth with a minimum amount of inflationary, demographic and environmental risks.

Therefore, while it is inevitable that we continue to utilize work permit policies to address the major portion of the economy's trained manpower growth needs, such policies need to be complemented with other and more broad-based policies aimed specifically at expanding the available pool of trained local manpower at all levels. Second, while a number of private sector companies has individual in-house manpower training programs, and while the public sector also has its own in-house training programs, these programs are tailored mainly to the specific manpower needs of the sponsoring organization.

Therefore, Madam Speaker, in my mind, what appears to be the imperative before us -- as late as it may seem -- is a comprehensive, integrated, systematic or planned approach to local manpower training and development in the Cayman Islands. In this regard, the 1990 Manpower Demand Survey Report which Government has accepted provides the information basis for developing and implementing such a comprehensive, integrated and systematic approach to local manpower training and development in the Cayman Islands.

In furtherance of this approach, Madam Speaker, and following the recommendations in the Manpower Demand Survey Report, all of which Government has accepted, the Government has already taken the initial steps to set up a manpower planning section within the Portfolio of Finance and Development to begin implementing some of the financially less difficult recommendations put forward in the Report.

The Manpower Planning Section will be located specifically within the Economic Development Unit, and will be initially staffed by two trained Caymanians, one of whom has just completed (and returned from) advanced training in Manpower Planning at the University of Manchester in England.

Although the precise details of the policies and programs together with their implementation are yet to be worked out with all parties with an interest in manpower training, the initial thrusts and corresponding approaches will closely follow those recommended in the Report. One of the more critical approaches recommended is a Labor Market Information System which will be designed to collect, analyze and disseminate quantitative and qualitative information on current developments and trends on labor demand, as well as on those factors that are root causes of labor supply imbalances in the different sectors and occupations in the economy.

Formal Summer Internship Program

While the Labor 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 labor 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 labor 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 program, since most overseas colleges and universities that Caymanian students attend, have summer internship arrangements with industry for their American, or Canadian students.

One possible benefit of such interactive arrangement is that interns could obtain credit from their university or college for their participation in the summer internship program. But there are the post-graduation employment-related benefits as well. From the intern's standpoint, the program would help prepare the intern to meet the post-graduation employment experience requirement that most employers demand as a pre-requisite for most jobs. Secondly, the program could help reduce the period of experience requirement that is a prerequisite for promotion in most jobs after employment. From the employer's standpoint, the employer would not be forced to hire a "green" employee, experience-wise. On the contrary, the employer would be hiring an employee who has already had at least twelve months of practical and substantive work experience accumulated over four summers which complements the employee's academic degree, thereby reducing the employer's need to devote scarce resources to train that employee in the practical basics of the particular employment, and by the same process, avoid the inevitable loss to productivity that training new employees with no substantive pre-employment experience entails.

Finally, the formalized Summer Internship Training Program (SITP) will probably start in the civil service and broadened over time to include those private sector firms interested in participating in the program.

Civil Service Employment Performance

Madam Speaker, the question of civil service performance is a sensitive issue, but I am going to address it anyway; because in the context of what I have said previously about prudence in fiscal expenditure management, I believe that we need to address this issue from the standpoint of formal policy.

I believe that most civil servants make maximum effort to give the best performance they are capable of within their own personal limitations and within the constraints of the particular environment within which they work. But I also believe that in the same way that improvement in the overall efficiency and effectiveness of public spending is a strategic policy priority, civil service employment performance must also be considered a strategic policy priority; both go hand in hand for obvious reasons. One is that you can't improve overall efficiency and effectiveness in public spending, without also improving civil service

employment performance. Performance efficiency and effectiveness of public spending, are directly related to civil service employment performance.

Madam Speaker, the issue of civil service employment performance measurement and assessment is not only a sensitive one, it is also a difficult one. But nevertheless, as part of the drive to achieve sustained improvement in the overall efficiency and effectiveness of fiscal expenditure management, it is one we must begin to address as sensibly and carefully as possible. This will mean, among other important considerations, that civil service employment performance measurement and assessment cannot focus only on the performance of the individual civil servant as is presently the case. It must also focus on program 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 her ability, that determines the quality of the performance given by that civil servant.

Revised Estimates 1991 and the Present State of Public Finances

Revised Estimates

The revised estimates for 1991 indicate a total Government expenditure of \$127.8 million which exceeds the original estimate of \$124.3 million by 2.8%. This estimated overrun is primarily a result of supplementary expenditure approvals of \$5 million and expected underspending under Statutory and Capital Expenditures.

Total revised ordinary revenue, at \$109.5 million, is expected to fall below the original estimate of \$110.3 million by about .7 of 1%. This shortfall in total revenue is mainly caused by an expected .8 million shortfall in stamp duty collections.

The revised 1991 positive position on the surplus and deficit account of \$2.1 million is better than the originally estimated amount of \$1.2 million.

General Reserves

The general reserve balance at the beginning of the year stood at 12.0 million. Interest earned this year is expected to total \$1.0 million which produces an estimated total at year end of \$13.0 million. It is proposed in the 1992 budget to transfer \$3.5 million from General Reserve to General Revenue, thereby causing a reduction in the reserve position to \$9.5 million. The draw-down however will require the approval of the Legislative Assembly which will only be sought if there is an absolute necessity for these funds. If economic growth in 1992 is better than 1991 it is unlikely that the draw-down will be required.

Pension Contribution Account

The balance on the Pension Contribution account at 31 December, 1991 is expected to be \$3.4 and is estimated at \$5.6 million (excluding interest to be earned in 1992) by the end of next year. This represents the proceeds of the 4% deduction from Civil Servant's salaries, governments 4% matching contribution and interest earned on these proceeds for the current year.

Public Debt

At January 1991, the total public debt stood at \$30.6 million, of which \$5.6 million which was central government, and \$25.0 million was self financing debt owed by statutory authorities but guaranteed by Government. The principal repayments and revaluation on public debt this year are expected to total \$2.7 million, although some \$1.4 million of this total is to be reimbursed by the Civil Aviation Authority, Port Authority and Water Authority. It is estimated by the end of the current year a total of \$14.3 million additional debt will have to be drawn down on the additional commitments of \$12.9 million for capital work in 1991, \$7.1 million for Civil Aviation Authority, \$1.0 million for Agricultural Industrial Development Board and \$3.0 million for the Water Authority.

These changes in the public debt position indicate that total public debt obligations will rise to approximately \$42.3 million by year-end. Of this total, \$12.9 million financed the Government 1991 capital expenditure, \$0.5 million for Dental Clinic, Faith Hospital and George Town Hospital and \$0.9 million for the Community College.

Draft Estimates for 1992

I am pleased to present to this Honourable House the 1992 Draft Estimates as an enhanced document. For many years Honourable Members have requested that they be presented with more detail to assist their scrutiny of the annual estimates. I feel confident Honourable Members will agree with the quantum and quality of detail available this year.

Additional explanation on the formatting of the estimates and the consultation process which made it possible to present the data in this comprehensive and detailed manner is set out in the foreword of the Budget. I am personally satisfied with our accomplishment and hope it meets your needs.

The 1992 Budget is \$130.8 million. It proposes no new borrowings except the final drawdown of \$1.0 million on the loan approved in 1990 for improvement at the Faith Hospital in Cayman Brac and the George Town Hospital which Honourable Members recommended. This amount is treated as a receipt and estimated to be paid out as a loan under Finance & Development to the Health Services Authority.

Total recurrent expenditure is \$107.1 up 2.3% over the revised 1991 position. However, Special expenditure on items which have a useful life of more than twelve months have been removed from recurrent and placed properly under Capital acquisitions. In 1991, the revised recurrent expenditure for special expenditure is \$1.7 million.

Capital Expenditure is presented in two major categories i.e. Capital Acquisitions and Capital Development. These are then divided into projects funded by local revenue, local loans and external loans. As mentioned earlier there are no projects funded by loans.

There is a further detailed breakdown provided on pages 370-413 in the Budget document. Capital Acquisitions is classified as: a) Replacement; b) Mixture; c) New. This allows Honourable Members to see immediately whether the annual allocation is to replace and item such as vehicles, computers or heavy equipment etc. Under mixture it is generally enhancing present equipment to produce additionally demanded services. New is self explanatory, it is a new item usually to add more facilities in order to provide a service to the public.

Capital Development classification focuses on the construction progress of the project. It is: a) Finished; b) Continuing means that it started prior to 1992; and c) New. This will allow Honourable Members when examining proposed Capital Development to instantaneously identify the new projects.

Capital Expenditure in 1992 is therefore as follows: a) Capital Acquisitions of \$2.9 million broken down as follows:-

i)	Replacement	\$1.1 million
ii)	Mixture	\$1.3 million
iii)	New	\$0.5 million

b) Capital Development of \$10.6 million broken down as follows:-

i)	Continuing	\$5.5 million
ii)	New	\$4.9 Million

New Services of \$7.5 million is also classified (pages 383-421) in the categories earlier mentioned and which I now give:

New Personal Emoluments	\$1.1 million
Other New recurrent expenditure	\$0.9 million
New Capital Acquisition	\$0.5 million
New Capital Development	\$4.9 million

The major project under new services is the Red Bay Primary School estimated at \$3.0 million with staffing for it and other school totalling \$0.4 million or a total of \$3.5 million.

Civil Service

The heads of Departments and all civil servants are indeed aware of the growing size of the service and have accepted that some constraints should be placed on its growth. We have for 1991 operated the service with restriction that no vacancies can be advertised unless approval is obtained from senior officials. That process together with enhanced scrutiny of new staff requests have witnessed a reduction in the annual growth of the Civil Service. Over the two years (1990-1992) the service will grow by less than 4%.

The same constraints and restrictions will continue to remain in effect during 1992. In addition we are proposing to begin a job evaluation exercise in 1992 conducted by trained civil servants on the Hay model. This model I understand is widely used by other countries.

The total cost of the civil service salaries and wages etc. in 1992 is estimated to be \$53.9 million which is 41% of the total budget or 43% of ordinary revenue.

So we are reaping the benefits of the constraints/restrictions which civil servants have accepted over the last year or so. Again the new format provides the necessary data to facilitate analysis.

In September of this year, the Government engaged the services of a Salary Commissioner for purposes of reviewing the general level of salaries of the Civil Service, and to make recommendations having regard to:

1. (a) The need to attract and retain suitably qualified staff for an efficient service;
- (b) The relationship between top and bottom of the salary structure and points between;
- (c) Increases in the cost of living since the last review and fringe benefits between the Civil Service and the private sector.
2. To review pensions, including periodic increases, payable to Civil Service pensioners and to Parliamentary pensioners and to recommend any changes.

A Report submitted by the Commissioner covered these terms of reference. In regards to salaries and wages it indicated upward adjustments ranging between 12 to 14 percent will be required to achieve comparability with the private sector. This was further confirmed by changes within the consumer price index which suggest that adjustments should range between 12.4 to 13.6%.

While the Government at this time would wish to make an award in line with the Commissioner's recommendation, to do so would only further exacerbate the presently constrained fiscal position. However, Madam Speaker, the Government is aware that not to attempt any action to address the erosion in salaries, would also not be fair to the Civil Service.

Therefore, Madam Speaker, the Government has taken a decision to make an award averaging 5% increase in salaries and wages to Civil Servants and Pensioners. The overall cost of this award will approximate \$3M. The other recommendations in the Report will be considered separately.

REVENUE MEASURES

Changes in Tourism combined with reduction of activities within the construction industry are indicative of the apparent trend towards slowing of economic growth in 1991.

Concern has consequently arisen over future government income flows as future Government revenues can be partly determined from the level and rate of economic growth. When growth rates are high government revenues generally experience high growth rates. The opposite occurs when there are slowing economic growth rates. Therefore, it has been necessary to identify how and where additional revenues can be generated in order to maintain government services in the face of possible slower rates of economic growth and smaller government revenue inflows.

Five areas with revenue generating potential have been identified. These are annual fees for registered companies, duty on diesel fuel and, duty on alcoholic beverages and tobacco products, and planning fees. It is estimated that increasing the fees and duties on these five goods and services should produce between \$9 and \$10 million in additional revenue in 1992, depending on the rate of growth in demand for the various goods and services.

The economic and financial implications of raising the level of taxation on these five existing revenue sources can be broken into three main sections:

- (a) the potential direct and indirect economic and financial implications for households and firms (or consumers and producers);
- (b) the potential impact of the proposed revenue raising measures on economic activity; and
- (c) the potential impact of the proposed revenue raising measures on inflation in the Cayman Islands.

Of perhaps most importance to the general public is the impact of the proposed tax changes on their individual incomes, therefore the first section refers to

- (a) the potential direct and indirect economic and financial implications for households and individuals.

Consumers will be affected by the proposed tax increases both directly and indirectly. The rise in duties levied on alcoholic beverages and tobacco products will have a direct impact on consumers budgets (at least on those who purchase alcohol and cigarettes). The increased fees for company registration and duty on diesel fuel will affect consumers in a more indirect manner.

Beers, wines, spirits and cigarettes could all rise in price by as much as the incremental value of the tax. The exact size of the price increase (which has implications for future revenue collected) will depend on the consumers response to the price changes, or the price sensitivity of demand. In general it appears that in the short run consumers respond quickly to price increases by cutting back their expenditure on that good. However in the longer term consumers resume their old habits and the price becomes a less important consideration in their demand for the product.

Increases in the duty levied on alcohol and tobacco products will bring the price of these products in Cayman more in line with the prices in the United Kingdom and Canada. It is unlikely that visitors to the Islands' will be much affected by these price rises.

Madam Speaker, prior to concluding, may I express my sincere appreciation to the staff of my Portfolio, Finance and Development and to the staff of Computer Services for the unstinting support they have given me and, more generally, to the Civil Service on whose support I humbly rely.

Madam Speaker, I recommend the Appropriations Bill (1992) 1991, proposing an estimated sum for Recurrent, Capital and New Services of \$122,489,486. Not included are the Statutory Provisions for loan repayment, pensions and gratuities, amounting to \$8,261,605.

The total expenditure is \$130,751,091.

MOTION FOR THE DEFERRAL OF THE DEBATE ON THE BUDGET ADDRESS

HON. THOMAS C. JEFFERSON:

Madam Speaker, I move that the Debate on the Budget Address

be deferred until Wednesday, 20th November, 1991.

MADAM SPEAKER: The question before this Honourable House is that the Appropriation Bill (1992) 1991, be given a Second Reading and that the Debate to thereon be postponed or deferred until Wednesday, 20th November, 1991. I shall put the question.

QUESTION PUT: AGREED.

THAT THE DEBATE ON THE BUDGET ADDRESS BE DEFERRED UNTIL WEDNESDAY, 20TH NOVEMBER, 1991.

GOVERNMENT MOTIONS

HON. THOMAS C. JEFFERSON: Madam Speaker, In accordance with the provisions of Standing Orders 68.A. and pursuant to section 74(1)(a) and (b) of the Customs Law, 1990 the following resolution is proposed -

GOVERNMENT MOTION NO. 9/91 The Customs Law, 1990 (Law 17 of 1990)

"BE IT RESOLVED this day by the Legislative Assembly, under the power conferred on it by subsection (1) (a) and (b) of section 74 of the Customs Law, 1990:-

THAT the rates of customs duty charged under the following sections of the First Schedule of the Customs Tariff Law, 1990 be hereby amended by omitting from each code Number specified in column 3 of the following table the expression appearing in column 4 opposite the code Number and substituting the expression appearing in column 5.

Madam Speaker, column 2 deals with the description of the item, column 3 deals with the Code as set out in the Custom Tariff Law, column 4 deals with the custom duty presently being charged and column 5 the proposed duty to be charged.

The first one Ale, beer and other malt liquors, existing duty is \$1 per litre - proposed is \$1.50.

Ciders and meads presently \$1 per litre - proposed to \$1.50. All these liquors, Madam Speaker, is charged per litre.

Wine coolers not exceeding 7 per cent alcohol content presently charged \$1 per litre - proposed \$1.50 per litre.

Table wines, red, white or rose presently \$2 per litre- proposed \$3 per litre.

Desert wines, including Port, Sherry, Vermouth and other fortified or flavoured wines containing under 30 per cent alcohol presently charged \$3 per litre - proposed \$4.50 per litre.

Champagne presently charged \$3 per litre - proposed to \$4.50 per litre.

Other sparkling wines presently charged \$2.50 per litre - proposed to \$3.75 per litre.

Spirits, unsweetened, containing less than 50 per cent by volume of alcohol presently charged \$7 per litre - proposal is \$10 per litre.

Spirits, unsweetened, containing 50 per cent or more by volume of alcohol presently \$9.50 per litre - proposed to \$14.25 per litre.

Spirits, sweetened and flavoured, including, liqueurs presently \$8 per litre - proposal is \$12 per litre.

Manufactured tobacco - cigarettes presently \$20 per 1,000 - proposal is \$30 per 1,000.

Manufactured tobacco - cigars presently 50 per cent duty - proposal is 85 per cent duty.

Manufactured tobacco - for chewing presently \$1 per pound - proposal is \$1.35 per pound.

Other manufactured tobacco presently 50 per cent duty - proposal is 85 per cent duty.

Unmanufactured tobacco presently \$1 per pound - proposed to be raised to \$1.35 per pound.

Manufactures from tobacco substitutes (e.g. herbal cigarettes) presently charged 50 per cent duty - proposal is 85 per cent.

Diesel oil presently charged 25 cents per gallon - proposal is 50 cents per gallon.

AND THAT it is hereby declared that it is expedient in the public interest that this resolution shall have statutory effect under the provisions of the Customs Law, 1990."

Thank you, Madam Speaker.

MADAM SPEAKER: The question before this Honourable House is Government Motion, that in accordance with the provisions of Standing Order 68.A. and pursuant to sections 74(1)(a) and (b) of the Customs Law, 1990 the following resolution is proposed.

"BE IT RESOLVED this day by the Legislative Assembly, under the power conferred on it by subsection (1) (a) and (b) of section 74 of the Customs Law, 1990:-

THAT the rates of customs duty charged under the following sections of the First Schedule of the Customs Tariff Law, 1990 be hereby amended by omitting from each Code Number specified in column 3 of the following table the expression appearing in column 4 opposite the Code Number and substituting the expression appearing in column 5.

(as has been read out by the Honourable Member)

AND THAT it is hereby declared that it is expedient in the public interest that this resolution shall have statutory effect under the provisions of the Customs Law, 1990."

In accordance with the provisions of Standing Orders 68.A., I shall now put the question.

MR. W. McKEEVA BUSH: Madam Speaker...

MADAM SPEAKER: Would those in favour please say aye?

MR. W. McKEEVA BUSH: Madam...

MADAM SPEAKER: Those against no? The ayes have it.

MR. W. McKEEVA BUSH: Madam Speaker, I think you might have heard me while I was trying to catch your eye because it would have been prudent at that time to move under Standing Order 83 to suspend Standing Order 68A. The reasons, Madam Speaker, would be to get the debate on this resolution.

MADAM SPEAKER: Honourable Member, section 74 of the Customs Law says:

"(1) Where the Legislative Assembly passes a resolution which -

(a) provides for a charge of customs duty upon a new item of goods, or for the variation (with or without modifications) or for the abolition of any rate of customs duty, under this Law: and

(b) contains a declaration that it is expedient in the public interest that the resolution should have statutory effect under the provisions of this Law,

the resolution, subject to subsection (2), shall for a period expiring at the end of one month after the date on which it is passed, have statutory effect as if contained in a Law.

(2) A resolution shall cease to have statutory effect under this section if the provisions giving effect to it are rejected during the passage of the Bill containing them through the Legislative Assembly or if all Bills relating to the measures in the resolution have not had their first reading within the next fifteen days on which the Legislative Assembly sits after the vote on the resolution."

MADAM SPEAKER: So, accordingly, the vote has been taken and I have declared that the 'Ayes' have it.

MR. W. McKEEVA BUSH: Madam Speaker, I appreciate you reading the Custom Law, which I am already familiar with, but I would like to point out... and I realise you have taken the vote, but I want you to record that I did get your attention before the matter was proceeded on and we are not dealing with the Customs Law, or what I am trying to deal with is not the Customs Law but the relevant Standing Order which governs the House, 68A, to have it suspended.

MADAM SPEAKER: Honourable Member, the Motion had already been put and the

vote has been taken.

MR. G. HAIG BODDEN:
on the vote, which I hope we will still have.

Madam Speaker, because of the interruption I wanted a division

MADAM SPEAKER:

Of course you can have it.

MR. G. HAIG BODDEN:
suspended.

I am seconding the motion to have that Standing Order

MADAM SPEAKER:

Madam Clerk, would you take the division?

MR. W. McKEEVA BUSH:
objection to the route you have taken.

Madam Speaker, before you move on I want to record my
Thank you.

MADAM SPEAKER:
division, Madam Clerk?

Well, it is noted, Honourable Member. May we have the

DIVISION NO. 32/91

Ayes: 8

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

Noes: 7

Hon. W. McKeeva Bush
Mr. John D. Jefferson, Jr
Mr. Truman M. Bodden
Mr. Gilbert A. McLean
Mr. Roy Bodden
Mr. G. Haig Bodden
Hon. John B. McLean

AGREED BY MAJORITY:

BE IT RESOLVED BY THE LEGISLATIVE ASSEMBLY THIS DAY, UNDER THE POWER CONFERRED ON IT BY SUBSECTION (1)(A) AND (B) OF SECTION 74 OF THE CUSTOMS LAW, 1990:-

THAT THE RATES OF CUSTOMS DUTY CHARGED UNDER THE FOLLOWING SECTIONS OF THE FIRST SCHEDULE OF THE CUSTOMS TARIFF LAW, 1990, BE HEREBY AMENDED BY OMITTING FROM EACH CODE NUMBER SPECIFIED IN COLUMN 3 OF THE FOLLOWING TABLE THE EXPRESSION APPEARING IN COLUMN 4 OPPOSITE THE CODE NUMBER AND SUBSTITUTING THE EXPRESSION APPEARING IN COLUMN 5.

ADJOURNMENT

HON. THOMAS C. JEFFERSON: Madam Speaker, I believe the business of this House which is set down on the Order Paper for today have been completed and it is the recommendation of the Business Committee that I should act my part as Chairman and to move the Adjournment of this Honourable House until Wednesday, 20th November, 1991.

MADAM SPEAKER: The question is that this Honourable House do now adjourn until Wednesday, 20th November, 1991. 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 Wednesday, 20th November, 1991.

AT 11:52 A.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M. WEDNESDAY, 20TH NOVEMBER, 1991.

**WEDNESDAY
20TH NOVEMBER, 1991
10:08 A.M.**

MADAM SPEAKER: Prayers by the Honourable First Official Member.

PRAYERS

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

Bless our Sovereign Lady Queen Elizabeth 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, The Cayman Islands Turtle Farm (1983) Limited Financial Statements for the Year Ended 31st March, 1991 - the Honourable Elected Member for Education, Environment, Recreation and Culture.

PRESENTATION OF PAPERS AND OF REPORTS

**THE CAYMAN ISLANDS TURTLE FARM (1983) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 1991**

HON. BENSON O. EBANKS: Madam Speaker, I beg to lay on the table of the House the Financial Statements for the Cayman Turtle Farm (1983) Limited to the period 31st March, 1991.

MADAM SPEAKER: So ordered.

HON. BENSON O. EBANKS: Madam Speaker, there is nothing startling or unusual in these accounts but I would like to call to Member's attention that the statement of loss and retained earnings for the period will show that retail sales, tours and snack bar sales increased by approximately \$297,000 over the period, while wholesale earnings dropped \$85,452 compared to 1990, due to a lack of turtle products for resale on the local market.

Total operating income for the period was \$389,051 compared to \$398,490 in 1990. An unusual item of expenditure is the writing down of the value of the stock, that is, the value of the livestock due to loss of livestock caused by viral disease in the amount of CI\$200,000. The net loss for the period, therefore, was \$32,866.

Completion of the new warehouse during the period should mean the end of significant capital expenditure and it is anticipated that the current year will generate a reasonable cash surplus since retail sales are well ahead of budget.

MADAM SPEAKER: Continuing with presentation of Papers, Draft Bill For a Law to Provide For a Building Code in The Cayman Islands; Draft Cayman Islands Building Code -1991 Edition; Southern Building Code Congress International. The Honourable Elected Member for Communications, Works and Agriculture.

PART I

DRAFT BILL FOR A LAW TO PROVIDE FOR A BUILDING CODE IN THE CAYMAN ISLANDS

PART II

**DRAFT CAYMAN ISLANDS BUILDING CODE - 1991 EDITION
(Based on the Standard Building Code - Copyright 1991 - First Printing - Revised Draft 21/10/91)**

PART III
SOUTHERN BUILDING CODE CONGRESS INTERNATIONAL -
Deemed-to-Comply Standard For Single and Multifamily Dwellings In High Wind Regions
SSTD 10-90 (Copyright 1990).

HON. LINFORD A. PIERSON: Madam Speaker, in accordance with Standing Orders 18, I beg to lay on the table of this Honourable House the Draft Bill for a Law to provide for a Building Code in the Cayman Islands; the Draft Cayman Islands Building Code - 1991 Edition, which is based on the Standard Building Code; the Southern Building Code Congress International - Deemed To Comply Standard for Single and Multifamily Dwellings.

MADAM SPEAKER: So ordered.

HON. LINFORD A. PIERSON: Madam Speaker, I would like to give a bit of a background on these very important and complicated documents in view of the fact that there has been many, many years since we have been trying to get these put in place, I think as far back as the early 1960s, so I would like to, with your permission, give some background on this.

In the broader framework of planning, Madam Speaker, the issues of health, safety and welfare are of paramount importance. Building codes tend to focus on the concern by concentrating on the protection of life, limb and property as they are affected by building construction. Building codes are not a new phenomenon. As early as 1700 BC, King Hammurabi, specified a code known as the Code of Hammurabi. Even though it failed to mention such basic concerns as fire protection, it had extremely onerous penalties attached to cases of proven negligence. If a builder failed to build a house correctly and it collapsed and caused the death of the owner the builder was put to death. This system of extreme reciprocal penalties apply to the son, property, etcetera of the builder and owner of the affected property. Fortunately, Madam Speaker, we do not have these practices today.

The question could rightly be asked, why with the standards of construction in the Island today, do we need a building code? I would like to briefly explain the answer to this. The first reason is safety. Geographically and geologically we are in dangerous zones. Annually we face the threat of hurricanes, the ravages of which we are all familiar. Additionally we are in a Class 2 Seismic Zone, which makes us susceptible to earthquakes. By contrast the western United States is classed 3 to 4 Zones. Within the structural integrity of buildings must be a pre-requisite to any meaningful development that we can expect.

Secondly, to ensure that all buildings are able to withstand a given hurricane strength wind and the resultant forces it exerts, they must be constructed to minimum uniform standards. Thirdly, uniform minimum standards ensure that value will be obtained for money spent.

Madam Speaker, a bit of historical development of the building code for the Cayman Islands, I think would be appropriate. Numerous attempts have been made since the 1960s to introduce a building code for the Cayman Islands. This current effort dates back from 1987. During 1988 a series of public meetings were held. These meetings were undertaken to discuss comments received from various professional and business organisations; received additional comments from the public and familiarised the community that the goals, objectives and contents of the proposed code. Also as far back I think as 1981, when I was the then Chairman of the Central Planning Authority, I also tried to have a Code for the Cayman Islands introduced but unfortunately this did not come about. So I am proud that during my tenure, as Member responsible for Planning, I am able to bring this about.

Madam Speaker, I am most grateful to the members of the Planning Code Committee who did a very wonderful job, indeed. I would like to pause to recognise those members, both in Grand Cayman and in Cayman Brac, without the efforts this code would not have been possible. I was proud to have Chaired this committee, but more so for the valuable assistance I received from the following members: Mr. Carson Ebanks who was then the Acting Director of Planning and is now the Director of Planning; Mr. Kenneth Ebanks a Planning Officer in that department; Mr. Richard Beswick Director of Water Authority; Mr. Bill Bissell of the Cayman Islands Association of Surveyors and Engineers; Mr. Donovan Ebanks the Chief Engineer Public Works; Mr. Walling Whittaker Chief Environmental Health Officer; Mr. Thomas Hill Superintendent of Water Authority; Mr. Kirkland Nixon Chief Fire Officer; Mr. Henry Propper representative of the Cayman Contractors Association; Mr. Conrad Rutkowski of Rutkowski Baxter and Partners; Mr. McLeary Fredrick the Assistant Chief Building Control Officer; Mr. Roy Grant the Deputy Chief Fire Officer; Mr. David Arch Chairman of the Central Planning Authority; Mr. Michael Marsden Crown Council of the Legal Department; Miss Gwynne Ebanks Assistant Secretary Communication Works and Agriculture.

Special mention is made of the efficient and untiring efforts of Mr. Michael Marsden of the Legal Department for assisting with the preparation of the Bill that accompanies this building code.

From Cayman Brac, as Chairman of that committee, Mr. Mark E. Knowlton, Knowlton Construction Limited; Captain Elvern K. or as Mr. Dickie Hurlstone, as he is better known, a contractor. Mr. Brinsley Lazzari Construction and Supply Limited; Reverend Lee King MBE, a Builder, Pastor of the Hillside Chapel, Captain Mabry S. Kirkconnell MLA, JP, representative for those Island, Mr. James M. Ryan MBE, JP, District Commissioner, Mr. Temple Tatum Jr. from Concrete and Stucco Tradesman, Mr. B. Leroy Tibbetts, Certificate of Honour, Contractor; and Mr. D. Burnard Tibbetts, MBE, Cable and Wireless Ltd.

I also wish to express my sincere thanks to our consultant, Mr. Connell of the Southern Building Code Congress International, known as SBCCI, for his invaluable assistance in putting these documents together. None of this would have been possible without the valuable and untiring efforts

that were given by my hard working Principal Secretary Mr. Kearney Gomez in coordinating these efforts.

This is a major and complicated document. As stated, it has taken a lot of time to put together but it is not the intention that this will become mandatory at this point in time but it is being laid on the table of the House with the intention that it will be a working document as a guide for contractors and builders and that after a period of 12 to 18 months, or longer if necessary, that this will then be brought into Law. The Code will be brought into Law as Regulations under the Law that is now being also laid on the table of this House.

I am hoping that in that process that Honourable Members of the House, together with members of the public, will take the opportunity to read these documents and let us have whatever comments that they may have or find necessary to bring up within that period so that these can be again discussed and included in the document where necessary.

Just to briefly give an outline of some of the contents of this document included within the Code are chapters addressing sprinklers, stand pipes and alarm systems, means of egress, minimum design loads, foundations, masonry construction, steel construction, wood construction, lathing and plastering, rodent-proof construction, light, ventilation, sanitation, etcetera.

As these comments regarding the building code were received and evaluated by the Building Code sub-committee which was an off-shoot of the full committee, they were brought into the main committee and modified where necessary. We spent quite a long time, as I said, in putting this together. It is a very comprehensive document. I will not take the time of the House to go through this. As I mentioned it is proposed that it will be a working document and I want to stress that again, Madam Speaker, it is not now a mandatory piece of legislation that has to be followed but much of what will be done between now and the expiration of the 18 to the 24 months will be voluntary on the part of construction personnel.

We are hoping that they will follow this because it is not new to the people of the Cayman Islands. It is based on the Standard building code, which has been used in the Cayman Islands for many, many years and it should be a user friendly document as is termed in the computer world, it should be user friendly to the construction industry. We are hoping that this will be a major step forward in ensuring that building development and construction in the Cayman Islands will continue to maintain a very high standard.

Thank you, Madam Speaker.

MADAM SPEAKER:

Continuing presentation of Papers and Reports Development Plan Review 1991 - Recommendations for Immediate Policies and Actions For Planning and Development on Little Cayman. The Honourable Elected Member for Communications Works and Agriculture.

DEVELOPMENT PLAN REVIEW 1991 RECOMMENDATIONS FOR IMMEDIATE POLICIES AND ACTIONS FOR PLANNING AND DEVELOPMENT ON LITTLE CAYMAN

HON. LINFORD A. PIERSON:

Thank you, Madam Speaker. In accordance with Standing Order 18, I beg to lay on the table of this Honourable House a document entitled Recommendations for Immediate Policies and Actions For Planning and Development on Little Cayman.

MADAM SPEAKER:

So ordered.

HON. LINFORD A. PIERSON:

Madam Speaker, the unique charm of Little Cayman is widely recognised locally and internationally. Dr. R. Stoddard in a 1980 publication of the Smithsonian Institute described Little Cayman as one of the least settled and hence least disturbed of all the Islands of the Caribbean.

Recently however, Madam Speaker, the unspoiled nature and natural charm of Little Cayman is under threat by development projects and the attendant pressures that they inevitably bring to bear. Both Caymanians and other visitors visit Little Cayman to experience a quite life-style and a natural charm that is rapidly disappearing elsewhere. Ironically it is the increase in the number of those seeking quiet and solitude that threaten to undermine the treasured beauty, charm and natural features of Little Cayman.

I have the distinct pleasure of presenting to this House the report that was produced from the deliberation of the Little Cayman District Advisory Committee. In accordance with the terms of reference it is to be used as an interim planning policy and action statement. The report is aimed at addressing those issues that are proving problematic in the development of Little Cayman.

"Little Cayman provides a unique experience to native Caymanians, tourist and professional naturalists. Its natural beauty, pristine nature and critical wildlife habitats have survived Cayman's growth largely untouched. Twenty years ago, Grand Cayman had the same cherished attributes. However, reactive planning and haphazard development have caused Grand Cayman to lose much of its island charm, wildlife habitat and sense of place.

Caymanians and foreign tourists go to Little Cayman to experience a natural beauty and quiet life-style which is difficult to find on the other two islands."

"Many people will say "you cannot stop development". This is true; no country wants to stop it. Residents, visitors, and landowners do not want to stop development, but development must complement the island's precious attributes, rather than detract from them. To enhance Little Cayman, development must have direction and guidance."

That is what this Report seeks to obtain.

I wish to recognise the Little Cayman Advisory Committee that have done a magnificent job in putting this document together. This did not come over-night, but came as a result of very hard and dedicated work. This document was prepared for the Little Cayman District Advisory Committee for the consideration of the Development Control Board, the Development Plan Review Committee, the Central Planning Authority and the Portfolio of Communication, Works and Agriculture. It will also be integrated in the other major exercise that is being now undertaken through my Portfolio by the Department of Planning and that is the Review of the Development and Planning Regulations, 1977. So these policies and action statements are interim pending the full review of the Development Plan, 1977.

The Little Cayman District Advisory Committee was comprised of Chairman, Capt. Charles Kirkconnell; Vice-Chairman, Capt. Mabry Kirkconnell; Executive Secretary, Karen McNamara; and the following individuals as members - Mr. Charles Adams; Mr. Guy Banks; Mr. John Palmer; Mr. Sam McCoy; Mrs. Gladys Howard; Mr. Linton Tibbetts; Mr. Robert Hurlstone; Mr. James Ryan District Commissioner; Mr. Rudi Selzer Director of Tourism; Mrs. Gina Ebanks-Petrie from the Department of natural resources and the support staff were Mrs. Christine Ballard who was the then Director of Planning and Mr. Carson Ebanks who is now the present Director of Planning. Assisting also in this exercise was Miss Gwynne Ebanks from my Portfolio and as mentioned earlier my Principal Secretary Mr. Kearney Gomez was instrumental in coordinating these efforts.

The recommendations in this Report are divided basically in three categories for organisational purposes only. Subjects which are addressed by each section necessarily over-lap. In chronological order however, the categories are: Long Range Planning, Current Planning and Design Standards.

I will not go into the details of these various sections or categories but I would invite Honourable Members of this House and the listening public to avail themselves of obtaining a copy of the document and reading it whenever possible.

Little Cayman is the natural showcase of the Cayman Islands. Anything which would seek to alter that must be forcefully resisted. Potential investors must be provided with clearly established rules and policies that they may be able to efficiently evaluate the constraint they face and the opportunities they are offered. This interim report establishes a framework within which environmental, cultural protection and development can coexist. It is a document that offers both protection and guidance. It projects an image and embraces a vision of what we seek for Little Cayman and with further refinement and public input in future planning initiatives Little Cayman can continue to progress at a pace and in a manner that we all desire. This document sets the framework for development without detriment in Little Cayman. Through this approach Little Cayman can become a planned paradise.

In laying this document on the Table of this Honourable House, it is the intention of Government that the recommendations for immediate policies and actions contained therein, are specifically for planning and development purposes on Little Cayman. I would like to stress this that it will not entail matters relating to the future of the air-strip in Little Cayman or any of those matters. It is strictly to do with planning matters, at this point. As I said, there are sections of the Report which deal with the question of the Little Cayman air-strip, this will not be now addressed or will not be mandated under this document. It is intended only for planning matters at this time.

I am proud to commend to this Honourable House the recommendations for immediate policies and actions for planning and development on Little Cayman.

Thank you, Madam Speaker.

MADAM SPEAKER:

Thank you, Honourable Member.

The next item on today's Order Paper, Questions to Honourable Members. Question No. 226 the First Elected Member for Bodden Town.

QUESTIONS TO HONOURABLE MEMBERS

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

NO. 226: Would the Honourable Member state how is the Alternative Education Programme structured and how many specialised persons, e.g. behavioural psychologists, are utilised?

ANSWER: The Alternative Education Programme is structured to allow for an off-site alternative education centre to accommodate up to 12 boys and/or girls, 10 to 16 years old, who have been referred to the Chief Education Officer by specialist staff employed by the Education Department. The staff include the advisor for special education, the educational psychologist and the project director of the Alternative Education Programme.

It was generally agreed by the planners of the Alternative Education Programme that an alternative education centre would be the final stage of a continuum of care and

interventions for emotionally/behaviourally, disordered pupils in the Government schools.

The Programme would draw on resources available within the schools and the Education Department to identify pupils "at risk" as soon as possible so that teachers would be supported within the mainstream to curb inappropriate behaviour in pupils before they reached the crisis stage.

In addition, emotional/behavioural, disorder specialists would be placed at the larger primary schools on Grand Cayman (John A Cumber Primary and George Town Primary), with the specialist staff of the Education Department continuing to service the smaller schools. On Cayman Brac, a peripatetic emotional/behavioural, disorder specialist, based at the Teachers' Centre, will service all four schools (three primary, one secondary).

The three specialists took up their appointment on 1st September, 1991.

SUPPLEMENTARIES

- MADAM SPEAKER:** The First Elected Member for Bodden Town.
- MR. ROY BODDEN:** Thank you, Madam Speaker. Madam Speaker, I would like to ask the Honourable Member if the programme has available now the services of a behavioural psychologist?
- HON. BENSON O. EBANKS:** Madam Speaker, an educational psychologist, as stated in the answer whom I assume has some training in behavioural psychology as well.
- MADAM SPEAKER:** The First Elected Member for Bodden Town.
- MR. ROY BODDEN:** Thank you, Madam Speaker. A supplementary. Since this programme deals with severe behaviourally and emotionally disturbed children, I wonder if the Honourable Member could say why the services of a behavioural psychologist, which is distinctly different from an educational psychologist, was not made available for the programme?
- HON. BENSON O. EBANKS:** Madam Speaker, the obvious answer is that the people who planned the programme must have thought that was unnecessary. I would merely add that the programme does avail itself of the services of a clinical psychologist in private practice within the Island.
- MADAM SPEAKER:** The Third Elected Member for George Town.
- MR. TRUMAN M. BODDEN:** Thank you, Madam Speaker. Would the Member state who the disorder specialist who would be dealing with the George Town and West Bay Primary Schools, what category of person would that be?
- HON. BENSON O. EBANKS:** They would be persons with at least a Masters Degree in this discipline.
- MADAM SPEAKER:** The First Elected Member for Bodden Town.
- MR. ROY BODDEN:** Thank you, Madam Speaker. I would like to ask the Honourable Member if any of these students in the programme have been moved back into the mainstream, or if they are in the type of programme now which allows them to spend some time in mainstream classes and the rest of the time in alternative education programmes?
- HON. BENSON O. EBANKS:** Madam Speaker, the aim of the programme is to return these children to the mainstream of education as speedily as possible. As the Member probably knows, the programme is a pilot programme in nature and I can confirm that at least one child who was in this programme earlier in the year, has gone back into the mainstream after being placed also as a ward in Bonaventure House. The report from the school is that he is a model student.
- MADAM SPEAKER:** The Third Elected Member for George Town.
- MR. TRUMAN M. BODDEN:** Thank you. Would the Honourable Member say whether the accommodation of up to 12 boys or girls has been sufficient to accommodate the numbers?
- HON. BENSON O. EBANKS:** Yes, Madam Speaker. It has been determined that this is sufficient for the needs at the moment and to test the pilot project.
If the Member is drifting at, shall I say, the complete suitability of the site, I would be the first and so would the Education Department to admit that it is not a site of choice if

Government had full freedom of choice. But, I would point out to the House that the first building owned by Government which the Department and Portfolio identified for this service, the use of it was denied to Government for this purpose by the planning process because the neighbours objected to the facility being placed in that area. So that on a pilot project basis we are left to, shall I say, do the next best which although, not ideal, is acceptable.

MADAM SPEAKER: The next question No. 227, stands in the name of the First Elected Member for Bodden Town.

THE FIRST ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS, WORKS AND AGRICULTURE

NO. 227: Would the Honourable Member give an up-date on progress of the Agricultural Pavilion and say whether funds allocated therefore are sufficient?

ANSWER: According to the information received from the Agricultural Society, plans for construction of the Pavilion have been submitted to the Central Planning Authority and a decision has been deferred to enable the Agricultural Society to seek an alternate access to the site. This is intended to lessen the negative impact of traffic on the existing residential development.

The Society advises that, including Government's contribution of \$80,000, it has \$39,000 on deposit which leaves a shortfall of \$248,776.

SUPPLEMENTARIES

MADAM SPEAKER: The First Elected Member for Bodden Town.

MR. ROY BODDEN: Thank you, Madam Speaker. I wonder if the Honourable Member could explain what is meant by the negative impact of traffic, since it would seem that the only time there would be much traffic on this site is during an agricultural show which should be held once per year?

HON. LINFORD A. PIERSON: Madam Speaker, the Department of Planning, which considers all applications of this nature, received a letter of objection from 21 area residents concerning this project, stating in that objection that it would have a negative impact on the residents in that area mainly because of the number of vehicles that would use that road (I think it is called Lottery Road), during an agricultural show. This letter of objection is now before the Planning Authority and they will make a decision on this as soon as possible. They must take into account, under the Planning Law, any objections received from residents within a certain radius of the particular development.

So this is being done. These residents will be brought in to be questioned and given the opportunity to state their objections to the Board.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you. Would the Honourable Member say whether that petition was headed by one of the civil servants in one of his departments?

HON. LINFORD A. PIERSON: Madam Speaker, I am unable to say exactly who headed the petition. There are several signatures on the petition, 21 in all.

MADAM SPEAKER: The First Elected Member for Bodden Town.

MR. ROY BODDEN: I wonder if the Honourable Member could outline to the House exactly the zoning specification of the land in question?

HON. LINFORD A. PIERSON: The zoning is Agricultural/Residential. It is a split zoning.

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, a supplementary. I wonder if the Member could say whether or not the present access road to the land on which the Pavilion will be built was constructed by the Public Works Department with the approval of the CPA?

HON. LINFORD A. PIERSON: Madam Speaker, the present lottery road was negotiated with land owners in the area by Government to service the agricultural farm a considerable time ago before any development was started in this area. Additionally, the road was constructed by Government and not by private developers.

MADAM SPEAKER: Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I wonder if the Member could tell the House exactly when this road was constructed and exactly when the farm was started?

HON. LINFORD A. PIERSON: Madam Speaker, I do not have the exact date but I am informed that it was around 1976.

MADAM SPEAKER: Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Could the Member say whether there was a binding agreement that for Government constructing the road Government could use it?

HON. LINFORD A. PIERSON: It was, Madam Speaker, gazetted as a public road.

MADAM SPEAKER: The last supplementary will be by the Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, the Member gave a date of 1976. I believe he must be speaking of the farm. Could he please tell the House whether or not the present access road to the land on which the Pavilion should be built, when it is approved by Planning, was constructed by the Public Works Department last year, finishing up this year, and was it not with the concurrence of the CPA?

HON. LINFORD A. PIERSON: To the best of my knowledge, Madam Speaker, that question would be, yes.

MADAM SPEAKER: The next question is No. 228, standing in the name of the Second Elected Member for Bodden Town.

THE SECOND ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES

NO. 228: Would the Honourable Member say what Committees and Authorities within the Portfolio of Health and Social Services are chaired by the Member and on what other Committees, within the Health Services, does he serve as a member?

ANSWER: The Member for Health and Social Services is the Chairman of the one statutory body, the Health Services Authority. As Chairman he also heads the Executive and Patient Care Committees of this Authority. He is the Chairman of the two advisory Committees, the Health Promotion Council and the National Health Insurance Committee.

SUPPLEMENTARIES

MADAM SPEAKER: The Second Elected Member For Bodden Town, supplementary.

MR. G. HAIG BODDEN: Madam Speaker, will the Honourable Member confirm that these appointments were recently made by Executive Council?

HON. D. EZZARD MILLER: The appointment as Chairman of the Health Services Authority was made by Executive Council. The other two are simple administrative, advisory committees within my Portfolio and a note is normally taken to Executive Council but not for approval as such, but for information.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker.
So is it correct that on the Health Promotion Council and the National Health Insurance Committee, you appointed yourself to these?

HON. D. EZZARD MILLER: Yes, Madam Speaker. I accept the responsibility.

MADAM SPEAKER: The next question is No. 229, standing in the name of the Second Elected Member For Bodden Town.

THE SECOND ELECTED MEMBER FOR BODDEN TOWN TO ASK THE HONOURABLE THIRD OFFICIAL MEMBER RESPONSIBLE FOR INTERNAL AND EXTERNAL AFFAIRS

NO. 229: Would the Honourable Member say what action has been taken to improve security at the Northward Prison to reduce future escapes?

ANSWER: Following the escape of prisoner No. 1672, Phillip Glennon Ebanks, the following measures have been taken:

- (1) Nighttime checking procedures have been varied to ensure that all prisoners in cellular accommodation are visually checked at intervals not exceeding thirty minutes apart.
- (2) A programme has commenced to strengthen all cell windows in "C" spur, old maximum unit and dormitories by fitting expanded metal grills over the exit screens. (In the longer term, it may be desirable to fund the replacement of all cell windows of the type relevant to the escape with ones of a higher security specification.)
- (3) The prison maintenance department has been reorganised and new procedures adopted to ensure the safe purchase, custody and control of all tools and cutting blades.
- (4) The Public Works Department is currently engaged in a costing exercise based on United Kingdom Government's standards for the possible total replacement of the existing perimeter fence.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementary, the First Elected Member For Bodden Town.

MR. ROY BODDEN: Thank you, Madam Speaker. I wonder if the Honourable Member could say if all of the staff employed in the maintenance department at the Prison are literate? That means if all of them can read and write.

HON. J. LEMUEL HURLSTON: Madam Speaker, I do not believe that I can deny or confirm that particular question.

MADAM SPEAKER: The First Elected Member For Bodden Town.

MR. ROY BODDEN: I wonder if the Honourable Member would give an undertaking to this House that that information be ascertained and brought back to the House at the earliest possible time? It is of critical importance, Madam Speaker.

Thank you.

MADAM SPEAKER: The next question is No. 230, standing in the name of the Second Elected Member For Bodden Town.

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

NO. 230: Would the Honourable Member say what steps will be taken so that students may make up for lessons lost due to Government cutting out the late buses?

ANSWER: No scheduled lessons for Middle School students or 3rd, 4th or 5th form High School students, in any subject, take place after normal school hours. Therefore, no lessons have been lost due to the recent suspension of the late bus provision. The normal syllabus requirements are covered by teachers in scheduled classes during regular hours.

Historically speaking, late buses have been provided to carry home, one hour later than normal, only those students who have been taking part in extracurricular activities, or in the case of Cayman Islands High School 5th form students, "Prep", that is to say supervised private study.

Recently, this service was temporarily suspended in order to assess the effectiveness of the provision and regularise its modus operandi in order to prevent mounting abuse of the system by students.

One scheduled class for four upper 6th students is normally held after school in order to accommodate subject combinations desired by 6th form students. Since the number of students involved was so small the students concerned made private arrangements for their own transport.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementary, the Second Elected Member For Bodden Town.

MR. G. HAIG BODDEN: Madam Speaker, I would like to ask the Member if it was his own decision to cut out the late buses?

HON. BENSON O. EBANKS: No, Madam Speaker. The decision was taken by the Department in consultation with staff in my Portfolio. But having received a report on the situation, I certainly backed the action.

11:00 a.m.

SUSPENSION OF STANDING ORDER 23(7)

MADAM SPEAKER: It is now 11:00 o'clock.

HON. THOMAS C. JEFFERSON: Madam Speaker, I believe it is the wish of Members that I, under Standing Order 83, move the suspension of Standing Order 23(7) and (8) to allow the other questions to be taken this morning.

QUESTION PUT: AGREED. STANDING ORDER 23(7) SUSPENDED TO ENABLE THE REMAINING QUESTIONS ON THE ORDER PAPER TO BE TAKEN.

SUPPLEMENTARIES TO QUESTION NO. 230 (CONTINUING):

MADAM SPEAKER: Do you wish a supplementary on question No. 230? The First Elected Member For Bodden Town.

MR. ROY BODDEN: Yes, Madam Speaker, thank you. I wonder if the Honourable Member could explain to the House exactly how the system of late buses was being abused?

HON. BENSON O. EBANKS: Madam Speaker, the late buses were to provide transport for between 90 and 100 students who were engaged, as I said, either in Prep or general extracurricular activity. There was no ticketing system or pass system, so that students who were not in fact involved in extracurricular activity remained in George Town, went about roving and getting into mischief and then using the bus to go back home.

The system that is being proposed to be put in place will ensure that only children who are in fact authorised to take part in the extracurricular activities make use of the late bus.

MADAM SPEAKER: The next question is No. 231, standing in the name of the First Elected Member for West Bay.

THE FIRST ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE

NO. 231: Can the Honourable Member say if provision has been made for a cistern at the new classrooms of the West Bay Primary School?

ANSWER: A 40,000 gallon cistern is to be constructed under the library of the West Bay Infant School. This is to be part of Phase II, currently under construction.

SUPPLEMENTARIES

MADAM SPEAKER: The First Elected Member for West Bay.

MR. W. McKEEVA BUSH: Madam Speaker, is the Member sure that this was to be a part of Phase II and not a part of Phase I?

HON. BENSON O. EBANKS: Madam Speaker, is the Member challenging the veracity of my answer?

MR. W. McKEEVA BUSH: Yes, Madam Speaker.

HON. BENSON O. EBANKS: Well then, Madam Speaker, I would suggest that he do it on a substantive motion.

MR. W. McKEEVA BUSH: That might happen too.

MADAM SPEAKER: If there are no further supplementaries, we shall proceed to question No. 232, standing in the name of the First Elected Member for West Bay.

THE FIRST ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE

NO. 232: Can the Honourable Member say whether the original plans for the Birch Tree Hill Sports Centre have been followed and when will the Centre be completed and opened for use?

ANSWER: Two football fields have been constructed instead of the one originally planned as the first phase of this centre, which is to encompass facilities for community based and cultural activities as well.

No date has been set for the completion of the centre as a whole, but it is anticipated that the football fields will be commissioned before the end of the first quarter of 1992.

SUPPLEMENTARIES

MADAM SPEAKER: The First Elected Member for West Bay, supplementary.

MR. W. McKEEVA BUSH: Madam Speaker, can the Member say what happened to the first plan as proposed for that Centre?

HON. BENSON O. EBANKS: No, Madam Speaker, I am afraid I cannot say exactly what happened to the first plan because plans have been changed along the way from time to time. I would say that current plans and the eventual completion of the project, in my view, has benefited and will be superior as a result of these renovations.

MADAM SPEAKER: The First Elected Member for West Bay.

MR. W. McKEEVA BUSH: Madam Speaker, can the Honourable Member say what happened to the pond that was supposed to be removed? What happened to the all purpose building? What happened to the other amenities that were supposed to have been placed in that Centre and what happened to the July date that he gave me a few months ago, that the Centre would be open?

Madam Speaker, did the Member say what happened to the pond?

HON. BENSON O. EBANKS: Yes, Madam Speaker, that was what I meant and was referring to by saying that the end result will be superior to the original plans. It was thought at one time, that it would be necessary to recover an area of swamp commonly known as "Pond", in West Bay and it is one of the few remaining bits of what is known as a "sweet pond" in Cayman. It is rich in bird life, particularly during the winter season but as a result of not filling it before, it is the view now that it will be unnecessary to fill it. All that will be necessary to do is to place a high net along that side of the field and we can have good football and will still have the use and amenity of that "sweet pond."

As for the other aspects of the plan, like the all purpose building and so on, I do not believe that I would be taking any tales out of school if I said that at the moment negotiations are taking place between the Portfolio and the Scholars Football Club in West Bay with a view to making a portion of that land available to that club to construct a clubhouse with the understanding that this will provide most of the amenities plus some that that plan called for. It is my view that that is a much more desirable development than if Government had been called on to build the various facilities that were originally envisaged for the area.

As for the completion date, the House will realise that the Portfolio is very much in the hands of Public Works and I imagine that Public Works' timing has been somewhat conditioned by the various changes that I have pointed out are taking place but as I said, I am convinced that the final product will be far superior than what we would have had, had we rushed head-long and done what was originally planned.

MADAM SPEAKER: The First Elected Member for West Bay.

MR. W. McKEEVA BUSH: Thank you, Madam Speaker. Can the Member say when these negotiations started with Scholars International? And, I am glad that he has admitted that the pond was supposed to be removed in the first plan.

HON. BENSON O. EBANKS: Madam Speaker, I will admit anything that I do or anything that I know. I am not in here to mislead, I only deal in the truth and that was a fact so I have no alternative but to say that it was so.

(inaudible interjections)

HON. BENSON O. EBANKS: As far as the negotiations with Scholars are concerned, talk on

this began in earnest about two months ago, I would say.

MR. W. McKEEVA BUSH: How long, Madam Speaker,...

MADAM SPEAKER: The First Elected Member for West Bay.

MR. W. McKEEVA BUSH: Thank you, very much. How long, Madam Speaker, has the field been completed and laying and not in use?

HON. BENSON O. EBANKS: Madam Speaker, the physical fields are in place but there are no rest-room facilities there. These should have been started about a week ago, which I understand has been further delayed because of the planning process. It is when these are completed that the field will be put into use.

MADAM SPEAKER: We shall proceed to the next question...

MR. W. McKEEVA BUSH: ...One more, Madam Speaker.

MADAM SPEAKER: ...No. 233. We have had sufficient supplementaries on this, please. We will now proceed to the next question which is No. 233, standing in the name of the First Elected Member for West Bay.

THE FIRST ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE THIRD OFFICIAL MEMBER RESPONSIBLE FOR INTERNAL & EXTERNAL AFFAIRS

NO. 233: Would the Honourable Member say whether the recent appointment of the Director of Personnel for the Health Services Authority was made through the Public Service Commission?

ANSWER: The Public Service Commission, on 1st October, 1991, advised and the Governor accepted their advice that the post of Assistant Hospital Administrator be filled (with effect from 14th October) by a serving Caymanian civil servant.

It is the intention of the Health Authority to redesignate this position to Director of Personnel in January 1992.

MADAM SPEAKER: If there are no supplementaries, we shall proceed to question No. 234, standing in the name of the Elected Member for East End.

THE ELECTED MEMBER FOR EAST END TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE

NO. 234: Would the Honourable Member state what progress has been made to date in regard to upgrading tourist attractions within this Island, other than the purchase of the Pedro Castle?

ANSWER: The most recent improvement in tourist attractions has been at Guard House Hill in Bodden Town and work is continuing on this project.

Other upgrading needs have been hampered by a lack of funds and the fact that the majority of tourist attractions as identified by the Department of Tourism are located on privately owned property. Therefore, formal consent by the land owner is necessary before Government can consider any physical improvements. The matter of public liability has also become a concern.

I may add here that the Portfolio is dissatisfied with the effectiveness of the system that has been in place, and has recently set up a committee involving the National Trust and other public and private sector organisations and individuals with the objective of restoring Pedro Castle and identifying and upgrading other major tourist attractions. This is intended to be an active ongoing programme and some funds have been provided in the 1992 Budget to assist with the goals which have been set.

SUPPLEMENTARIES

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I wonder if the Member could say what has been hold-up with regard to the development of the Blow Holes in East End, seeing that permission was granted by

the land owner?

HON. W. NORMAN BODDEN: Madam Speaker, I am not aware that permission was in fact granted by the land owner. What I am aware of is that there were ongoing communications between the Portfolio of Tourism, Aviation and Trade and the Portfolio of Communications to lease the property concerned from the owners so that the plan to develop that site could proceed.

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I wonder if the Member for Tourism would touch base with his colleague in Executive Council, the Fourth Elected Member, and just confirm that permission was granted by a Member from this side of the House, the Second Elected Member for Cayman Brac, Mr. Gilbert McLean?

HON. W. NORMAN BODDEN: Madam Speaker, my understanding is that negotiations are ongoing to lease that property before Government will build on it.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Could the Member say whether the property in South Sound to the north of the Watler's subdivision, the little, narrow strips of coast, that we had approved funds to buy, whether this has been bought and is now being developed as a tourist attraction?

HON. W. NORMAN BODDEN: Madam Speaker, my recollection is that a portion of that property, for which funds have been provided, has in fact been purchased and it was purchased with the intention of it remaining a scenic coastline.

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I am very concerned about this project known as the Blow Holes in East End from the tourist point of view because for the Members who have visited that site they will agree it is very dangerous....

MADAM SPEAKER: Honourable Member you are....

MR. JOHN B. McLEAN: ...I am coming to my supplementary, Madam...

MADAM SPEAKER: Well, please try to do so quickly.

MR. JOHN B. McLEAN: I have prefaced it this way, Madam, to say that it is strange that nobody seems to know that permission was granted when I, personally, hand delivered a letter from Mr. Gilbert McLean to Mr. Donovan Ebanks. Now could the Member not say whether or not there are plans to do anything in the near future with the Blow Holes?

HON. W. NORMAN BODDEN: Yes, Madam Speaker. As I stated earlier, negotiations to lease the property are continuing and my understanding is that Government will not put in place any form of construction on any private property unless they have in hand a signed lease agreement.

Apart from that, consideration is being given that a proposal can also be made to the land owners for Government to acquire that property since the Department of Tourism and the Portfolio attaches great importance to the Blow Holes as a tourist attraction. In other words if a lease cannot be arranged then I think a proposal would be made to the land owners to purchase the property. That is my understanding of the stage that we are at at the present time.

MADAM SPEAKER: The next question is No. 235, standing in the name of the Elected Member for East End.

THE ELECTED MEMBER FOR EAST END TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE

NO. 235: Would the Honourable Member state what are Government's plans to assist Heritage Committees within the districts to upgrade their facilities, such as proper utilities on their respective grounds, for the future?

ANSWER: Government has no immediate plans to provide utilities and other facilities for the Heritage Day Committees. However, the Portfolio is willing and will in fact meet with them and the Central Pirates Week Committee to discuss their views on this matter.

In the past any requests made to the Portfolio for improvements to premises or other

repairs have been forwarded through the respective Portfolios to the Public Works Department or Environmental Health where, to the best of our knowledge, they have been attended to.

It should, however, be noted that through the development process of Pirates Week the Heritage Day Committees have generally operated independently, and each district conducts its own fund-raising activities with profits being earmarked for improving facilities and other district projects.

SUPPLEMENTARIES

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I totally agree with what the Member has replied in his answer. This has been exactly how my district operates but I wonder if the Member could say whether or not he is aware that our committee requested, some five weeks prior to our Heritage Day, an additional utility pole on our field and it was not until the day of our Heritage Day that somebody showed up to put it in place?

HON. W. NORMAN BODDEN: Madam Speaker, I was not aware of this request.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Would the Member agree that because of the importance of the Heritage Day Committees to tourism, especially in the off season, that he would consider reviewing this matter and assisting where possible the respective districts including George Town, naturally?

HON. W. NORMAN BODDEN: Yes, Madam Speaker. I think the point being made or the question being asked by the Third Elected Member for George Town is very valid and I attempted to indicate that in my substantive reply. I certainly will meet with the Central Pirates Week Committee and all the various Heritage Day Committees to see if we could do a restructuring or to make whatever arrangements so that there is an improvement in the product that we have to offer each year. I think we like to ensure that we are doing a better job each year and this is one way to accomplish this.

MADAM SPEAKER: Thank you. The next question is No. 236, standing in the name of the Elected Member for East End.

THE ELECTED MEMBER FOR EAST END TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE

NO. 236: Would the Honourable Member say when sporting facilities (such as the playfield) will be upgraded in the district of East End?

ANSWER: Funds have been requested in the 1992 Draft Estimates to light the second of the two public hardcourts in the district of East End. Work was previously done to upgrade the playfield with topsoil being added, grass planted, fencing and a basic level of lighting added. It was decided that this would not be further upgraded for three reasons:

- (i) it was determined that a good grass cover could not be established due to high salt content in the underlying ground;
- (ii) the very irregular shape of the field could only be rectified by the purchase of a house and lot of land which intrudes into one corner of the field and even then the field would be undersized;
- (iii) a request has been made for lands to be purchased for development of an additional playing field in the district of East End. It is hoped that this land can be acquired in 1992 and work on the fields carried out in 1993.

SUPPLEMENTARIES

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I wonder if the Member could outline where this land is situated that he is speaking of?

HON. BENSON O. EBANKS: Madam Speaker, not specifically but it is in the High Rock area, the road going into the High Rock quarry area.

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: I wonder if he could further state who actually made this request and why the Member for that district has not been acquainted?

HON. BENSON O. EBANKS: I am unable to answer the Member's question specifically, Madam Speaker, except to say that the Member has constantly agitated for improved facilities in East End so I do not believe that the Portfolio should be reprimanded for having taken some action to get a field in the district.

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, you know it is with deep regrets that the Member speaks so. I am only trying to find out when proper facilities will be put in place in my district. The Member knows on one occasion he actually travelled out there with me to look at property. I am only trying

MADAM SPEAKER: Mr. McLean, please. You have been... This is twice... Could you get to a question? I think we all understand how you feel but could you ask a question now, please?

MR. JOHN B. McLEAN: Madam Speaker, I know. This a very important matter and in order for me to go to my supplementary, I am just trying to show the sequence of events. Could the Member then say whether investigations have been done on the present field in East End to prove what he is actually saying about salt content and whether there has been an additional amount of topsoil placed on that field to cover up these areas?

HON. BENSON O. EBANKS: Madam Speaker, the substantive answer replies to the Member's questions. Topsoil was added to the field and the salt still came through. It has been determined that in order to put enough soil so that the salt will not come through, the soil would be so dry that the grass could not be maintained unless you put in a sprinkler system.

It is no mystery, Madam Speaker. If the Member were to come to the Portfolio I am sure that the staff there can show him the piece of land that is involved. It is no military secret. I just do not know the plot number so I cannot say.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Could the Honourable Member say whether there is a provision in the budget for next year to buy this land?

HON. BENSON O. EBANKS: Madam Speaker, a request has been made. To the best of my knowledge a bulk amount has been put into the Estimate for the purchase of lands. The answer states that it is hoped that this land can be acquired in 1992. So what I am saying is that I hope that this land is included in the bulk figure that is in there or that we will get an appropriation out of the bulk figure for this.

The land has been identified. Obviously, there must be a case of a willing seller. Government is certainly willing to buy, Sir, if the money is available we will get the land.

MADAM SPEAKER: The Second Elected Member For Bodden Town.

MR. G. HAIG BODDEN: Madam Speaker, may I ask the Member since he has said in the answer that he is carrying out the work on the East End playfield in 1993, will he tell us if he also intends to do the work at the Bodden Town Civic Centre on the playfield in 1993 as well?

MADAM SPEAKER: The Member could answer if he wishes but that really was not a part of the...

HON. BENSON O. EBANKS: Yes, Madam Speaker, I would like to answer that question. If the Member had studied his Budget, he would see that money is in the 1992 Budget to do the Bodden Town field.

MR. G. HAIG BODDEN: May I ask him if he will treat this the same way that he has treated previous funds that have been put in the Budget since 1984 for the Bodden Town playfield, or may we expect the work to be done this time?

HON. BENSON O. EBANKS: Madam Speaker, I have no knowledge of money being put in the Budget prior to this for the actual construction of the field in Bodden Town. In 1991 money was put to do the survey work which was done and that work has now been done and the money had been put in the 1992 Budget to build the field.

MADAM SPEAKER: The next question is No. 237, 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 ELECTED MEMBER FOR COMMUNICATIONS, WORKS AND AGRICULTURE

NO. 237: Would the Honourable Member say if the restaurant in the Craft Market has been vacant in recent times? If so, for how long and is it now rented?

ANSWER: The restaurant in the George Town Craft Market was closed for trading on 12th May, 1990, and reopened on 1st June, 1991.

However, Madam Speaker, I have available further information which I will share with Honourable Members as has been provided to me by the Principal Secretary, (Personnel) which is the Department now responsible for rentals of the Craft Market. It is however, intended that this responsibility will, in due course, be transferred to my Portfolio. The following is the information which I have received from the Principal Secretary (Personnel).

The tenant of the restaurant was experiencing problems with the business and was finding it difficult to pay his rent. Correspondence between the tenant and the Principal Secretary (Personnel) contained a request to reduce the monthly rent.

The Principal Secretary (Personnel) was not empowered to agree to this request as the lease was issued under the tendering procedure as prescribed by the Financial and Stores Regulations. The situation deteriorated and rent payments became sporadic early in 1990. The tenant was in rent arrears from that time and a final payment was received from him to cover the period up to 12th May, 1990. It only became clear up to May, 1990, actually late June or early July that the tenant was no longer going to continue with the restaurant business.

In August, 1990, the Principal Secretary (Personnel) took steps to prepare the restaurant for re-tendering which included some refurbishment of the property and an updating of the electrical system. The Principal Secretary (Personnel) felt that the previous tenant had not understood the tendering procedure and staff were instructed to prepare a detailed information pack which would be sent to all applicants.

After some delays in preparing the restaurant in sufficient funds in the maintenance budget, an advertisement was placed on 25th January, 1991. A closing date was set for the 22nd February, 1991. Tenders were opened on 25th February, 1991. The lease was offered to Island Taste who commenced trading on 1st June, 1991.

SUPPLEMENTARIES

MADAM SPEAKER: If there are no supplementaries, that concludes Question Time for today. The House will be suspended for 15 minutes.

AT 11:36 A.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 11:58 A.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed Government Business Bills Second Reading the Appropriation (1992) Bill, 1991. This will commence debate on the Budget Address delivered by the Honourable the First Official Member, Financial Secretary, Leader of Government Business, on Friday, 15th November, 1991.

The Second Elected Member For Bodden Town.

GOVERNMENT BUSINESS

BILLS

SECOND READING

THE APPROPRIATION (1992) BILL, 1991

**COMMENCEMENT OF DEBATE ON THE BUDGET ADDRESS
DELIVERED BY THE HONOURABLE THE FIRST OFFICIAL MEMBER, FINANCIAL SECRETARY
LEADER OF GOVERNMENT BUSINESS, ON FRIDAY, 15TH NOVEMBER, 1991.**

MR. G. HAIG BODDEN: Madam Speaker, during my time as a Member of this House, I have seen many budgets. This is definitely the most frightening one that I have seen. It appears to me that the policy makers, the Elected Members of Executive Council have arrived at a stage where as the newspaper put it last week, three down and only one to go. They realise that they have completed three years and they only have one more year left, although I see in the Budget some of them are planning what they are going to do in 1993 and 1994 and even beyond that.

According to the Budget Address that was delivered they have at least admitted the truth and that truth is that there have been bad managers over the past three years. The wild oats which they have sown have caught up with them and we find this country in the most sorry state in which it has ever been financially. We are facing financial disaster. Later on I will deal with their own words which say the same thing but perhaps in more polished language.

Everything seems to have gone out of control. On page 23 we

see that the Civil Service has grown to where this year it will take 43 per cent of the ordinary revenue, a sum of \$53.9 million just to pay the salaries. We find that, yet again, we will add new bodies to the Service.

I do not begrudge the salaries paid to the Civil Service. We have many noble members and in fact I deeply regret the sudden passing yesterday evening of my good friend, Mr. Royal Anderson, who was a policeman with a record which everyone knew could never be corrupted. A man who served and rose to the top in the Service and I applaud the hard work done by not only Mr. Anderson but by so many other local people that served so many years in the service.

The biggest problem with the Budget is that the present Government is unable to control the expenditure and they will have to do this or increase the revenues. I invite Members to look at the really bad position of Government's revenue. If Members look at the Government's statistical abstract on page 40, they will see that 1990 was certainly a bad year for Government's revenue. These figures the source of which is the Accounts of the Cayman Islands Government show that 1990 had a deficit of \$14 million.

Trouble started, and one hardly needs to repeat this, when the Government removed all checks and balances from the Finance Committee and set up the new style Finance Committee which we have by which Government can decide in Executive Council to spend money and the same people can put it through Finance Committee and I think this has helped to produce the terrible state of affairs that we see now. But 1991, is also a worse year. According to page 1X of the Estimates we see that 1991 will have a deficit of \$18,323,068.

By a clever financial note they have sought at this late stage of the game to convert that deficit into a credit of \$2 million and would perhaps have been successful if this broadcast is not heard in every home on these Islands. They may fool themselves into believing there is no deficit because their attempt to hide it is not successful.

They claim they have brought forward an accumulated surplus on the 1st of January, 1991, of \$5,647,792 and I do not know how they are doing that when I just read page 40 of the Final Accounts which shows a \$14 million deficit. Also they show that their borrowings during 1991, will be \$13,824,419 from local loans and \$944,481 from external loans and that figure of \$14.7 million will help them wipe out their deficit. A loan does not wipe out a deficit because you have to pay the loan with interest.

You do not need any CPA to tell you this. If you are short of money to pay your bills and the bank is good enough to lend you that money you are short of, you still owe that money plus interest and you are only kidding yourselves if you believe otherwise because there is no Santa Claus to come along later to give you the kind of check they need. You see, being a poor boy raised in the depression of the 1930s, becoming fatherless at the age of two, the first lesson I learned in life was that there was no Santa Claus. Others may have helped a little but there was no Santa Claus; there was many a Christmas when Santa Claus did not visit me. Then they say that having done all of this, they have certainly changed the 1991 deficit into a surplus of \$2 million which is going to happen after Santa Claus has visited on the 31st of December, 1991 and they will take that surplus of \$2,093,624 forward into 1992.

All of this is history. They have not done anything in three years but in their remaining 11 months in office, they are going to work miracles because they have put forward for the year 1992 in Table 2B, the Estimates of Revenue and Expenditure for next year. They have done the best they could because remember this is election year and with their best juggling of the figures they still produce next year's Estimates of Revenue and Expenditure with a deficit of \$15,891,115.

I will deal with this later in greater detail when I come to deal with the Budget Address, but in a few words I would like to show how they are going to work their magic and let this huge deficit, which is nearly \$16 million, disappear by the 31st of December, 1992, because that is what they say in the financial note. They know they should have a deficit but we know how to make it disappear. According to them, they are going to have four super measures for wiping out deficits: a) they will have that magic surplus of \$2,093,624 which Santa Claus is miraculously going to leave in the stocking on the 1st of January, 1992; b) they will have \$1 million - not a gift from the gods but loans which they did not bother to take this year and they are going to transfer from our already shaky Reserves \$3.5 million.

Remember this, \$3.5 million is the only real cash they have, but they are going to transfer that and these wonderful taxes which this eight-man vote put through here last week is going to give them \$9,700,000 of new revenue. When the 31st of December, 1992, comes they will have a surplus of \$402,509. Can anybody believe this? Can anybody believe this? What are these people doing in Executive Council? Why are they not consultants to the United States Treasury and wipe out their trillion-dollar debt? (*Members' laughter*) Amazing, but not true! Can anyone look at their past performance over the last three years and believe that they have the ingenuity or the fiscal responsibility to wipe out that huge deficit?

I mentioned the \$3.5 million that will be taken from the Reserves. I invite Members to examine Appendix 6, at the back of the Estimates and notice how they used last year, 1990, \$7.8 million from Reserves. What a tragic mistake! What is happening to our Reserves? If you look at Appendix 4, you will see what is happening and you will also see the footnote from the Auditors why it should not happen. In 1990, this country would have had reserves including the interest of \$19,781,752. But this smart Government took from it \$7,800,000 leaving a figure of \$11,981,752, roughly \$12 million in Reserves.

Down at the foot of the page there is a note that says, "The General Reserve represent funds which have been set aside by the Government as a reserve and which cannot be utilised without the express authority of the Legislative Assembly." The Reserve Account of Government should never be used to balance the Budget. Should never be used to wipe out the deficit; should never be used to satisfy their insatiable appetite for spending funds.

For the last 20 years I have heard that the prudent Government

should try to keep reserves equal to about three months recurrent revenue. We have fallen far short of this and I will just give a few examples to show what has happened. But let me say this, when we take as the Address says we are going to do, \$3.5 million from the Reserves which we have, Government Reserves will have fallen to \$9.5 million.

We are told that this year's expenditure (1992) is going to be a little over \$130 million, and by that magic date, 31st December, 1992, we will have supplied that money and have \$402,000 left over which means that our revenue, wherever it comes from loans or recurrent or whatever it is, will have to be in excess of \$130 million or roughly \$11 million per month. So if we are going to keep reserves equal to three months revenue we should have reserves for 1992 of \$33 million. But we only had reserves of \$12 million plus the interest and we are dipping into that. The reserves for next year are only sufficient for three weeks! The country has never been in such a bad position.

I see those reserve funds as funds that the Government could fall back on if there was a national calamity, a hurricane or some outside event, which for some reason prevented our income from coming in and this would be something you could lean on. But to make this Government look good because this is an election year! They destroy the reserves completely leaving us with three weeks reserves. They ought to be ashamed, they should resign! I do not know if I can say this, but I personally fault the Governor for taking their advice because he has a constitutional responsibility for good government. This is bad management.

If you look at Appendix 4 you will see that we had done pretty well up to 1990, where the Reserves of nearly \$20 million was a reasonable sum but remember we are looking three years later when the revenue has increased substantially and the reserves have fallen. If you bear with me and take a quick look into the past you will see in 1989 our Recurrent Revenue was \$95.9 million. The Reserves were \$18.2 million. We had Reserves then that were more than equal to two months and one week of our Revenue. Not quite the ideal three months but we were getting there. Sometimes in the past we had been beyond that.

In 1987, although I do not give the figures, we had Reserves for more than two months; a healthy position. When they made the reduction in 1990 and brought our Reserves down as I have stated to \$12 million, having a Revenue of \$101.8 million for that year, they reduced our Reserves to six weeks. Now for 1992, the Reserves are reduced to three weeks. I hear them talking about what they are going to spend in 1993, well this country had better pray that they do not spend anything in 1993 and 1994. If these were all of the bad points, I could sit down and feel that I had done my job. But look at the bad position of the loans that we are in because it is bad loans that have ruined every Caribbean country. Borrowing more money than their country can service. Borrowing more money than they can pay back.

Look at page 42 of the Statistical Abstract which carries the accounts of the Cayman Islands and you will see how the Government's debt has risen, also the loans guaranteed by the Government because some of these loans guaranteed by the Government will have to be paid by the Government. We find ourselves with the largest public debt in the history of these Islands. So at the end of three reckless years, the present Executive Council has saddled this country, together with their extension vote on this side, with the largest debt this country has known. They have reduced our Reserves to almost nothing. They spend every year more money than they take in and they take in every year less money than they spend. The Financial Secretary calls it going in divergent ways, or something like that in his speech. Expenditures rising and revenues falling; a dismal, sorry financial picture.

If one looks at this black book which is the Government's account, on page two there is a very interesting table which shows the five year trend in Recurrent Revenue. Now this is very important because if we do not understand what is happening, we are not able to guard ourselves against our present position. It is a pity. This Government has the best financial expertise ever available to any Government in the Cayman Islands with it at the present time, but it is not taking their advice, as I shall show later when I quote from another document.

This five year Recurrent Revenue trend shows that in 1986, we had a 12 per cent increase in revenue over the previous year. In 1987, we had a 14 per cent increase over the previous year. In 1988, we had an 18 per cent increase over the previous year. Now watch what happened when the bad policy makers took control and we see that in 1989, the Recurrent Revenue only increased by 13 per cent and by 1990, it only increased by six per cent. In 1991, it will probably be one per cent and if they are here in 1993, as some of them envisage, it will probably be zero per cent.

You see, they have put the kiss of death upon our economy and it all started in 1989 when, as Shakespeare said, "When the sweet wind did gently kiss the trees." But I am hoping that they will kiss the dust before 1993 and will not be here to do it, or will be forced to kiss the rod, which is a term that means they will take their punishment.

I would further like to continue that part of my argument by looking at page five of the Budget Address and show you that what is happening did not happen by chance. I do not believe that this year's Budget was put together by chance. I believe what we see in it is deliberate because the Government realised that it cannot correct, in the next 12 months, what it has done in the past 36 months and the only thing to do with this country is to push it further into financial trouble.

This is what the Financial Secretary had to say on page five: "Overall, public financial performance declined in 1990 due to a combination of slow growth in the amount of revenue collected and a substantial increase in recurrent spending." But who is responsible? Who is responsible for the slow growth in the amount of revenue collected? The Government! When I warned them one year ago that they were putting a \$10 million tax package which would dry up the funds here, there would be no room for investment by local people. When they were warned this year that if they borrowed all that money from the banks, local people would be told that there is no money at the banks to lend them because we have lent it to the

Government, they did not believe me. They increased the revenues.

When we told them that increasing the rate of Stamp Duty will not give you more Stamp Duty, they laughed us to scorn. What does the Financial Secretary say? He says in this speech despite the fact that they moved Stamp Duty from 7.5 per cent to 10 per cent on properties over \$250,000 they show a \$0.8 million decline in revenue from transfers of land.

We remember all of those sensible people out in the community, Mr. David Ritch, and others, writing to the newspaper telling the Government they were making a mistake. Did they listen? No. At that time the only properties that were moving were the big properties and they have stopped moving now. When we objected to the postage increases put in by the Member for Communications, Works and Agriculture, he laughed and said only, "This will not affect the local people." It affected our local revenue.

Just look at the figures in the Estimates and you will see that the 1991 revised figures for postage stamps (because he put up the postage) is now \$82,000 less than the actual collections in 1990. You see, although they have a lot of economists with them, they are suffering from the law of diminishing returns and they do not even know it. Who is responsible for the substantial increase in spending? Certainly not the Backbenchers. This country should get on its knees and thank God Almighty that there were Backbenchers here, although I was not with them at the time that the seven of them stood firmly in 1989 to stop the grandiose schemes.

Suppose they had gotten the money for the Master Ground Transportation Plan and all of the other projects at that time? Where would we be today? Guyana, Jamaica, wailing at the feet of the IMF. Where would we be today? As soon as the Backbenchers hit them on the head one time and pounded some sense into them, they got together and changed the Finance Committee and put in that outlawed one, which we are going to change pretty soon.

SOME MEMBERS:

Hear, hear!

MR. G. HAIG BODDEN:

On page five, the Financial Secretary goes on to say: "Total revenue collected from local sources rose from \$96 million in 1989 to \$102 million in 1990 in nominal terms, but the growth rate in 1990 was 6.3% which is a little less than half the growth rate of 12.9% in 1989.". Why? Because the present Government has done everything possible, that it could think of, to stop the economy from growing. Their bad policies have brought us financial ruin and it is at their feet that I lay the blame. The Elected Members of Executive Council are in the majority in Executive Council and if they stick together they can make proper policies for the betterment of this country. But it appears that they are the doers of the damage.

Now, let me give just a couple of examples of what I am talking about. Sixteen months ago they came to this House and they increased the price of diesel from 12 cents a gallon, or 13 cents, I do not remember which, to 25 cents, making it roughly a 100 per cent increase. Last week they increased it again. So that in 16 months the Government tax on diesel oil has gone up by a figure of between 390 per cent and 400 per cent.

We saw yesterday's headline where the light bills in January will go up. I calculate that they will go up by between 25 per cent and 30 per cent. Can this country take this again? Remember it is not just the light bill in the home because in the supermarkets those freezers run on electricity, the trucking business, the charter boat business, all depend on diesel fuel. It is going to cost every man, woman and child that uses any product which requires fuel for its production or its distribution, to have to pay more and more.

This same thing happened with the tax on alcohol. In the last 16 months they put 40 per cent on it bringing the price from 100 per cent to 140 per cent. Now they are putting another 50 per cent which means that you are adding 70 per cent to 140 per cent, a 210 per cent increase in 16 months. This is one of the components of the tourist industry and we are already out-priced. Now when I said that the Government has at its disposal expertise which it does not use I am reminded of the NAPA Car Parts advertisement, "I told you so, but you will not listen."

This sheet called "Stats Facts" was published in August, 1991, published by the Government's Statistics Office at a time when they were making up the Budget and this is what the experts said:

"Imports were down 7 per cent in the first quarter and 9 per cent in the second compared to the same period a year ago.

Ordinary company registrations were down 6 per cent in the first quarter and rebounded by the same amount in the second quarter."

They were told this when they were making up the Budget, yet they have doubled the fees on company registration, completely ignoring the statistical data available to them. But listen to this one:

"The value of the transfer of land was down 20 per cent in the second quarter and the value of Planning Permits was down 66 per cent in the first quarter and 42 per cent in the second."

And yet they are now putting up the Planning Fees. Listen to this warning because this is important.

"The decline in Planning Permits is particularly significant as they are usually regarded as a leading

economic indicator rather than a coincident indicator."

What were the experts telling them in August when they were making up this Budget? They say your planning is down. This is serious business because when your Planning Permits are down, it means that your construction is down. It means the jobs of the people in the construction industry are down. It means Government's Revenue is down and what are they doing? What is the answer of this all powerful Sanhedrin?

Double the Planning Fees, put them up. That is their answer to it, getting money to make us look good. We do not care what happens to the country. We are only going to be here for 11 months. Perhaps if the Governor is good he will call a quick election and get rid of us but while we are here, like the Japanese, we must save face.

So I say this Government has available to it expertise which no Government in the past has had. They have good financial advisors but they do not take it. In fact, they even get up sometimes and say the poor, old Financial Secretary was sitting in Council. Sure he was there with one vote but I know how the votes go, four Elected Members outvote three - I will not use the adjective that I had - outvote three Official Members.

In summary, it appears that the economy is showing weakness in the tourist sector and the answer to that is to put 50 per cent on the items that the tourists use, and on the diesel that the charter boats use to take the tourists out. That is the answer to it. Consumer spending is also slowing. The growth in the number of work permits is across all industrial sectors but tourism shows the slowest rate of increase. These are warning signs, even those who run could read. But if you will not listen you can boast about all of your tax planners and your debt managers and they will not help.

I would like to turn to the Budget Address and deal with a few of the areas in it.

MADAM SPEAKER:
at this time?

Honourable Member would like to take a luncheon suspension

MR. G. HAIG BODDEN:

Yes, Madam Speaker.

MADAM SPEAKER:

The House will be suspended until 2:15 p.m.

HOUSE SUSPENDED AT 12:55 P.M.

HOUSE RESUMED AT 2:20 P.M.

MADAM SPEAKER:

Please be seated. Proceedings are resumed. The Second Elected Member For Bodden Town continuing the debate.

MR. G. HAIG BODDEN:

Madam Speaker, the Government blames the Gulf crisis on page 1 of the Budget Address for their problems. While it is true there was a Gulf War, one must remember that the Budget for 1991 was conceived before the Gulf War started and when that Budget came to us in November of 1990, the Government showed signs of serious financial problems.

Everyone knows that for a short time in 1991, the price of oil rose sharply but it is also true that this price was not sustained for any length of time and eventually fell below the pre-war price. What has affected anything connected with the consumption of fuel in the Cayman Islands is the Government's direct actions which I previously outlined - the substantial increases was on motor gas and the 400 per cent on diesel over the last 16 months.

While we may blame to a certain extent the Gulf War for a recession, which some people claim it set off, the Gulf War is not the culprit in our local finances. It is my opinion that had not the Government sought to increase taxes on fuels during this period we would have been helped by the Gulf War.

The speech bewails the high inflation from which we suffer. In 1990, we had an average inflation rate of 7.7 per cent compared to an average of six per cent. The build-up of inflationary pressures which dominated the last two quarters of 1990, as a result of world-wide oil prices, increases have not abated and in fact have been carried over into 1991, despite the dramatic fall in oil prices on the world market to approximate their pre- Gulf price levels.

We get worse as the year goes on. In the third quarter we have a 9 per cent inflation rate which is the highest rate of inflation recorded since 1984 when the country was really booming. According to the Financial Secretary this compares unfavorably, this 9 per cent with the 6.9 per cent annual average for the same period and is even worse when compared to the 10 year average from 1980 to 1990.

This inflation and this rise in the cost of living index was all created by the Government. According to one of the statistical abstracts published some time recently by the Government they claimed that the high hospital fees was one of the reasons for this jump in the cost of living which we experience. This is true because we know that the Hospital fees were \$50 a day, then \$100 a day, then \$150 a day and now \$200 per day. All of this happened over a very short period. In other words, there were substantial increases over too short a period and this happened with all the other fees connected with the Hospital.

The same thing happened with every other fee that the Government touched because they did not put in reasonable increases. The Government created the problems of

inflation and the problems of the costs of living index which rose because they try to do too much, too fast, simply in an attempt to balance a budget by collecting more revenue without exercising the other constraints which would have helped to balance the Budget.

The other constraints of which I speak would be to cut down on their expenses. Try to stimulate the economy so that there is more production in the country, so that the construction industry could provide more revenue and in other areas of Government, taxes could provide more cash to the Government. But they only know one method and that one method has not worked as shown by the results which we witness here today.

The Financial Secretary must be congratulated in putting forward such a truthful statement but the statement is certainly an indictment against the Government. It is an indictment against the policies of destruction which have been practiced by the Elected Members of Executive Council over the past three years. As the Member was not in the Chamber, I would like to repeat that I have just congratulated him for putting forward such a truthful statement as this Budget Address and to say that the destruction of our finances has been caused by the Elected Members of Executive Council putting forward policies and projects which could not be sustained, as the Financial Secretary says later on in his speech. I will deal with that when I come to it.

The Financial Secretary tells us that local investment fell by six per cent in 1990. Why did this happen? Why did it happen in 1991? Why is it going to fall much further in 1992? Because the Government has scooped up every extra penny of cash that floated around in this country. They have taken it and put it in the Government coffers where it does less good than if it had been left in the hands of private individuals who would have invested it and this is the serious situation into which we fall. Some of them hope to be able, in 1993 and 1994, to visit upon us the fiscal irresponsibility of the past three years but the good people of Cayman will not allow that to happen.

When we look at the newspaper we find that our Member of Tourism is satisfied because our tourism is not as bad as some of our neighbours. This is truly disgusting! Because there was a time when every year I read that despite the fact that despite the fact that tourist arrivals were falling throughout the Caribbean, and tourism was down, we were on the rise. I think it is because the Members of Executive Council have been asleep and I hope today I can shake them awake because we know that our closest neighbour Cuba, is on the verge of becoming the tourist resort that it once was. I believe it will not be too long before the American tourists will be allowed to visit Cuba, instead of the Cayman Islands. Yet we do everything we can to destroy our tourist industry.

We console ourselves by the fact that these preposterous increases, these astronomical increases, these phenomenal increases which they have put on alcohol is all right because it brings us in line with Canada and the United Kingdom but Canada and the United Kingdom do not depend on tourism for the bulk of their revenue. There is simply no comparison. These countries have their manufactured goods, their pulp and paper mills, their natural resources and if we believe that pricing ourselves out of the market is doing us any good we will soon find that there are other tourist destinations.

We know there has been an increase in the arrival of cruise ship passengers but the people who deal with the tourists tell us that these are not the people that really provide the funds. What this country needs is the tourist that stays in the hotel or the condominium because these are the big spenders and these arrivals are down.

I have here with me a newspaper article which shows that the October air arrivals for tourists, is an ugly picture. Yet, when I started to speak on this the Member for Education seemed to be quite happy and thought that he could use his convoluted reasons to wipe away the backward slide that tourism has taken under his leadership and the leadership of the Member for Tourism. Every one of those Members is responsible. If the Member for Tourism is asleep the other three Members should wake him up. Collectively they are responsible for policy in this country.

I dealt at great length with Government's fiscal performance and will not go into that again, only to say that the poor result detailed on page five of this speech is a direct result of Government's actions. Now, how can what is going on be stopped? I think it can be stopped by changing the policies of the Government. Unfortunately, with the present Executive Council, they are inflexible and averse to change. So I do not believe that we will see any change over the next 11 months. But one day I trust a new Government will be able to change the policies of the Government and to turn this country around so that there is an increase in economic activity, there is an increase because we are losing the financial stability which once attracted people to these Islands. The Government will not stop chasing people away with their high fees. I heard recently of one group of people that are seriously considering moving their companies to the British Virgin Islands (BVI).

Last week Friday, this Government doubled the company registration fees on local companies. Do they know the kind of message they are sending abroad with their deficits and their loans?

I believe strong action must be taken to curb Government's expenditure which is increasing more rapidly than revenue. We see that Government's expenditure in 1989 was \$96.4 million and it rose to \$116.3 million in 1990, representing a 20.9 per cent growth in expenditure. Now that was compared to an 11.6 growth the previous year. When your growth rate doubles in one year there is no way that your revenue can keep up with it despite their shutting their eyes and putting 400 per cent on this and 200 per cent on that, or whatever the Member for Education may think is good. This was coupled with a reduction in capital expenditure by about \$1.7 million. These are serious indicators that we have gone wrong and they need correction.

The Address goes on to say that there was a current deficit of \$900,000 for 1990, in contrast to surpluses of about 10 per cent of current revenue in previous years. What a sad

financial state! What a turn-a-round! What a change! From a 10 per cent surplus revenue over several years in the past, we find them with a deficit of \$900,000 in the first year that they had full control of the Finance Committee! And the Civil Service Vote to spend as they like to spend.

It goes on to say they show an overall deficit of \$13.9 million in contrast to marginal Current Account deficits and some overall surpluses in previous years. I know the public understands that. There had been in the past small deficits in the Current Account. There had been surpluses in the Current Account, but never before in the history of these Islands had we experienced a \$14 million deficit until the Member for Education and the Member for Tourism and his other friends got hold of the Finance Committee and spent the country dry!

They try to rationalise this by saying that that \$14 million did not traumatise the economy. Well, that is their opinion. It is not the opinion of the public. I think the economy has been hit hard. Businesses have failed, businesses have slowed down. People are out of work, investors are not coming. Why? Because of the climate that they have created.

One of the reasons why investors are afraid to go to certain countries? Because the countries are broke and these desperate people in Government may take actions that will jeopardise the people's investment. The reason why investors were coming to Cayman was because of the financial stability which we had enjoyed over many generations. From day one we had been the pride of the Caribbean. We can no longer say that and I call upon these four Members of Executive Council to take their hats and leave.

In the Budget Address speech the Financial Secretary tells us that the comparative growth rate for public debt between 1988 and 1989 were 23.8 per cent and 6.6 per cent respectively. Borrowing, which with their present movements, they will never be able to repay. I believe this is the first time in the history of the Cayman Islands, the year 1991, when we saw all of Government's borrowing coming from local funds. We criticised it one year ago and we said it would have adverse affects on this small country because it would dry up the funds that could be available to local business people and to local consumers but like the "NAPA" advertisement, they would not listen.

You see they have a bad situation and it is the Government to turn it around. I am asking today how are they going to turn it around? We have heard no word from them, but from what I have seen after I had finished the speech, and when I had finished looking at the estimates, frightened me more than I had been frighten at the beginning because I discovered that despite this projected figure of almost a \$16 million deficit for 1992, there is not a single penny for the Hospital by the pond. The Member for Health has said that he is going to build his \$16 million hospital and I believe him because I have found him one Exco Member that tries to carry out what he says he will do. He is a very forceful character and I think he is going to build it.

You will remember some time ago when the Member for Communications promised this House that we would review the Post Office Box fees. We saw a newspaper report where the Member for Health was quoted as saying, there would be no review and there has been no review! And there will be no review! Three cheers to the Member for Health. He will probably wind up, if we had to select from that group a Chief Minister, he would probably have to be the Chief Minister because he does have leadership ability, to give him his due. *(Members' laughter)*

What I am trying to say is that it is my belief that that hospital will be built pretty soon. And, I know the way it will be built. As soon as the ink is dry on the final stages of this Budget I expect a Finance Committee meeting to be called, and I expect him to stand up, and of course I expect the other Elected Members to stand up and to smile across this aisle at the First Member for Cayman Brac and they will put through a motion in Finance Committee to borrow the \$16 million. *(Members' laughter)* I believe this will be done.

You see, I heard on the news this morning that the Plans (I do not know if they are preliminary plans or what) have gone to the Central Planning Authority for the new hospital. I hear about all this design work and these consultants and how they are going to fill the swamp; whether it be five feet or 15 feet deep; whether they have to drive pilings or whatever, and I think the work is going to be done. I think an attempt is going to be made to saddle this country with this hospital, which we can not afford at this time, before these present Members of Executive Council are dismissed in November, 1992.

We have a budget which does not include the one capital project that is sure to come because the Member for Health is running so scared. He may not attempt the project which he has put in the Budget, but I know there is one Member who has the courage to do what he wants to do, whether that is right or not, or whether people agree with it or not.

We also have, and we cannot ignore this, Cayman Airways is going to need a lot of money. We have a commitment which is fixed by contract and they are going to need that money and there is nothing for that in the Estimates. We know that the subsidy to Cayman Airways is increased to \$2 million this year but this is not a drop in the bucket because the commitment under their lease will run into maybe six figures, or could be less, but it is a substantial sum of money.

What I am saying is, at the money needed for the hospital and the money needed to pay for the commitments of Cayman Airways will increase our deficit of \$16 million by at least four times. The true deficit which this country is facing today, although not written in the Budget, is probably \$65 million because as soon as the Member for Health gets the approval for his hospital the Member for Tourism is going to stand up, and he is going to smile across the isle, he will be joined by his other attendants, and they will look across here and if they get the nod or the wink or whatever you call it from the First Member for Cayman Brac, he is going to bring the paper for the money for Cayman Airways.

The reason why it is not here today is because the 1992 Budget would certainly look too bad, but we are doing a budget and I do not have to tell the Members what a budget is. You are just making plans for next year but in making this budget you have to include the things that you know that

are necessary to run the country. If you do not do that you are not being honest with yourself.

Can you imagine a man and his wife doing his household budget and leaving out the food, just putting in the gasoline for the car and the telephone bill. Huh? Can you imagine that? Can you imagine that? Well this is serious business, Mr. Member for Education, and perhaps in your erudite contribution you will tell us how you are going to manage it?

I would like to call the Members's attention to the most important page of this Address. I would ask the members of the public if they do nothing else, to read page 8 of this Address. In it, the Financial Secretary has carolled a warning which he has repeated twice on the same page and which must not be ignored. That warning is that we are facing fiscal destruction. Let me quote his exact words: "Madam Speaker, if trend analysis has shown that realised 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."

The Financial Secretary, being the wise man that he is, is running scared of the direction the Elected Members of Council have taken this country over the past three years! And he said if it continues for two years more there is no redemption for this country. That is why I call on the Governor today to call an election today because we cannot afford another year of fiscal mismanagement.

You see, the Financial Secretary was very kind to them and in his usual modest manner, he put this very mildly because he said if they continue the way they have been going in two years public finances would be heading in the wrong direction. What he could have said was that public finances are heading in the wrong direction. Serious, even the Member for Health cannot get his artificial smile on his face now. (LAUGHTER)

This warning, as strong as it is, is repeated on this same page in almost the same words, and I quote:

"On this basis, I have concluded that there has been a marked divergence in the growth trends between realised 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."

As I said earlier, in this second paragraph our modest Financial Secretary is kind to them again and has used the phrase, "public finance would be drifting", when he could have said public finance is drifting, has been drifting and will continue to drift in the wrong direction if these four Members are allowed to remain in Executive Council for another hour. Because if this happened in any business, the business would be bankrupted.

What the Financial Secretary is talking about is simply that our expenditure is going up and our revenue is going down. One is increasing by a greater percentage every year as they think up what will get them elected at the next election! And the revenue falls when they increase the taxes and reduce the demand for the services! So the two things are moving in the opposite direction and as the poet says, "Never the twain shall meet", and we will never see a balanced budget again under their direction.

The Financial Secretary has a lot of courage to make these statements but I think the country needs to know that at least one person in Executive Council understands what is happening in this country. I know he has been bamboozled and he has been kicked around and I admire his courage. I am getting tired of the poetry but "his head is bloody, but unbowed".

He says at the end of page 8: "Our short-to medium-term goals are to (a) halt and stabilise the trend towards greater imbalance between realised local revenue and budgeted expenditures before this divergent trend put us on a path towards fiscal instability." Now it sounds like he has used my language but he did not hear me with that. I read that from his speech. He says if we do not halt, if we do not stop this madness, because it is pure madness, what has gone on for the last three years. He says if we do not halt it, if we do not stabilise it, the trend will put us on the path to fiscal instability. The death knell. The kiss of death upon our economy. Other countries more prosperous than the Cayman Islands have gone through this stage because the politicians would not listen.

He has a wishful thought at the end of page 9: the care, skill, prudence and diligence under the circumstances [speaking about what would be necessary to correct this] 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." But can we get that over the next 11 months when for three years they have refused to listen to reason? They have said, "we will put up the schemes, we do not care if every medical person in the Cayman Islands objects to the two sited hospital, we are going to build it! We do not care if a couple of hundred feet of road on the Jennet T cost \$1 million dollars. We are going to build it! We do not care who can pay these taxes. We are going to put them in! Serious problems leading us, in the words of our noble Financial Secretary, towards fiscal instability.

He recommends that the Government must put their "emphasise on clear priorities and public expenditure planning and concentration on quality rather than quantity spending" and I think now he is quoting the Backbench because this is all they have been saying. We are not saying you do not need this road or you do not need to do this thing, but we cannot see why a little piece of road that should cost \$20,000 is costing \$200,000. This is all we are saying.

This Address is on a high plane. It sets the ideal situation, what a normal, reasonable person would like to see in a normal, reasonable business. But I have bad news for the Financial Secretary. With his present policy makers he will not come anywhere near achieving that ideal because I feel that the present Government lacks the discipline to approach the ideal or to carry it out even if they discover it

by chance.

We are told in the Budget Address that the Government now has an External Public Debt Management System. This is good and is necessary, especially where the Government has borrowed extensively but the mission of that system is to assist the Government to properly manage external debt which involves avoidance of unsustainable debt servicing and external credit crisis.

I would like to see that mission enlarged so that it could teach the Government how not to get into debt, rather than to manage what they are getting in to. They need help in this area and what the Financial Secretary is saying is that he is not worried if the Government owes some debt. Neither are we. I feel the Government should borrow some of its money. What he is worried about, and what I am worried about, and what everybody in the Cayman Islands is worried about, is when we get ourselves in a position where we cannot sustain the service on that debt and where we cannot pay back what we are borrowing because we are getting too deep. You know there are people like that who will borrow from everybody in town, and owe everybody in town who will give them credit. But the prudent person, the prudent Government only borrows what is reasonable and what they are able to repay.

There are Third World countries now that are out there trying to borrow money to pay the interest on the loans which they owe. Trying to borrow money to pay interest and we must not let this country get like this. I do not care whether these boys or these men want to be heroes, they must not do it at the expense of the public.

I believe it was in early 1973, when I heard the late Miss Annie Bodden debate a budget and she said, "we have to learn to cut our coat by the cloth we have". I find that same idea in this Budget Address today, of course as usual it is put in the magnificent language of the Financial Secretary. He puts it this way and he is talking about the considerations for proper fiscal administration and he said: "One is that expenditure should be driven by revenue, instead revenue being driven by expenditure."

Expenditure should be driven by revenue. I wonder if he could paraphrase that in some way that we could get it across to the four Elected Members of Executive Council? "That expenditure should be driven by revenue". In other words, we must know that we have the revenue before we decide to go out and embark upon some large scheme or some increased expenditure.

What has been the problem and the Financial Secretary has put his finger on it, that for the past three years revenue has been driven by expenditure. They have come this year with a \$10 million tax package. Why? To cover up their expenditure because they felt short. They came 16 months ago with another \$10 million tax package. Why? To cover up their expenditure because the revenue had fallen short.

If they had used the proper financial guidelines, they would not have this situation where their expenditures are forcing them to put up revenues which the country cannot pay, to put up taxes which the country cannot pay. So if my colleague from Bodden Town is not able to get anything else across to the Member for Education, I hope he will be able to help him understand the meaning of that one line in this Address because the Member said we would have to go out and get economists and accountants to explain this speech to us. But I hope that he understands that his three years of letting his expenditure drive up the revenue have brought us, as the Financial Secretary said, on the verge of fiscal disaster.

The Financial Secretary mentioned that the performance of the civil servant does not depend only on the persons ability but also depends on the institutional environment within which the individual civil servant works more than his or her ability. I hope that the Members of Executive Council understands this because every day I come across instances where the Members of Executive Council seek to blame their civil servant counterparts for their failures and for their bad policies. This make it very difficult for the civil servant whose job is to carry out the policies of the Member but it is the Member's responsibility to take the blame if those policies are wrong or in cases where no policy has been laid down.

On page 19 of the speech the Address points out the problem which has existed and that is that Government's expenditure is going above its estimates while at the same time the revenue is falling short and as I dealt with that earlier, I will not belabor that point.

The Government expects that they will not have to draw down the \$3.5 million which I showed earlier they intend to take from the Reserves. They are hoping that something will happen and by next year they will not need to draw that down. I can only judge on past performance and it has been my experience that every time they have shown in the Budget that they were going to take money from reserves or from the Currency Board or from any other statutory body of Government to balance their budget or make it not look so bad they wound up taking that.

So, the Address says that, "If economic growth in 1992 is better than 1991 it is unlikely that the draw-down (speaking about the \$3.5 million) will be required." But I do not believe we can hope for that. I think we can bid those reserves good-bye and wait and see if the next Government can build them back up.

The address points out that because the cost of living is up, because the consumer price index is up and because of a report submitted by a salaries commissioner. The Civil Service is entitled to a raise of 12 to 14 per cent to bring them in line with the private sector.

Now it is bad when the Civil Service salaries fall below the private sector because when that happens we start losing the brain power from the Civil Service. It is sad to note that the Government is not able to bring these salaries in line with the private sector and instead of offering them the increase recommended by the Report they have recommended a five per cent increase in salaries and wages.

By January, 1991, as we saw in the headlines of the newspaper this week, that five per cent will not do the civil servants or anybody else any good. This Government by their new tax measures will have increased the cost of living again because not only will the light bill increase but I believe every other activity connected with fuels will go up.

What a Government! What have they brought to this country in three years? They could get some medals for highest prices, highest taxes, biggest loans, biggest deficits, biggest schemes, most consultants - what a Government. What a Government.

They only look at one side of the question, they have what we call a one track mind. When they set out to do something, they go straight at it. And the gates of hell cannot prevail against them. Cannot stop them. They are going to do what they are going to do, when they want to do it regardless of the results.

I will say it is fortunate for the civil servants, and for other people as well, that this will be their last year because next year if they remain in office, Civil Service salaries would have to be cut.

I already touched on the new tax measures and will not go into any great detail on them at this stage, only to say that because I will be debating them when the bill comes to the House and I do not want to anticipate that debate, but the Address mentions that it is estimated that five areas with revenue generating potential have been identified.

The word 'identified', when applied to this Government, means 'single out for harsh treatment'. These are annual fees for Registered Companies, despite the fact businesses are complaining; duty on diesel fuel, despite the fact that everybody is complaining about their light bill now; and as the speech says, we are still feeling the inflationary effects of the price of oil from the Gulf War because although the war has ended, when the price rises it seldom falls as easily as it goes up; duty on alcoholic beverages and tobacco products and Planning Fees.

I see in the Planning Fees that the agricultural developments which we were supposed to help will now be charged two cents per square foot and I do not know what kind of developments these are. If they are large chicken houses that might take an acre, you would be looking at over \$800 just for the Planning Fee at two cents a square foot. But I do not know what they have in mind.

It is estimated that increasing the Fees and Duties on these five goods and services should produce \$9 and \$10 million. The point I wanted to make is that I believe a lot more than five items are being hit (I mean more than five categories). When I say that, for example, the speech mentions companies, but it goes on to show that other areas in that Law are affected. For example the annual fee for Patent Service Marks, the right of recording in the registry, that is the Republic Recorder Law, Annual Fees, Patent and Trade Marks, and I saw something over here about the Witnessing of Marriage, the receiving notice for Bands, general search for Registration of Works, Certificate of Birth, Death Registrations, and this is a package - great big package. No matter how we try to minimise the impact this is going to hurt the little man. The little man that I know some Members campaign to help. The little man that they are now helping out of existence.

MADAM SPEAKER: Would you be prepared to take a break at this time?

MR. G. HAIG BODDEN: Yes, Madam Speaker.

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

HOUSE SUSPENDED AT 3:30 P.M.

HOUSE RESUMED AT 3:59 P.M.

MADAM SPEAKER: Please be seated. The Second Elected Member For Bodden Town, continuing with the debate on the Budget Address.

MR. G. HAIG BODDEN: Madam Speaker, we know that what is happening in the Islands now is a reverse of what happened, let us say, 20 or 30 years ago. Long ago, Caymanians went abroad to look for jobs and by so doing they sent into the Cayman Islands the larger part of their earnings, which gave the country the foreign exchange it needed and the new funds to make purchases from abroad. But we have a situation now where many of the big money earners in the Cayman Islands are from abroad and I suspect that these people are sending large portions of their earnings back to the country from whence they came. This means that this cash goes out of the country and is lost to the country.

The people that work here, some of them fill jobs for which Caymanians need to be trained. One of the things that the Government needs to look at if it is going to improve the money supply in the Island is to reverse this position where most of the top paying jobs are filled by qualified Caymanians. But this will take a lot of training and perhaps will take many years. This is an area which the present Government seems to have not given attention to over the past three years, although I know there has been some training, and perhaps statistics might show that in some areas we have trained more people than in other previous years.

The Budget Address mentioned a programme which the Government wants to have in place with providing summer jobs. Real jobs, whereby, people who are studying abroad in specific areas will find employment in-line with their level of training rather than being treated or given a job, I think the Address says, as messengers, just to give them a summer job. It mentions the side effects of given the person the job experience and so on.

I do not recommend that local jobs be given to people that are not qualified for them, but I think the Government must make every effort on training of local people. There is a big need for teachers, nurses, other professionals, technicians and if the Government in one year had had a strong

urge to expend a lot of money in this area, I think they would have received more support than simply trying to put up a structure which would be for the persons own personal aggrandisement.

The training is an investment far better than any structure and I believe that the \$16 million which we are talking about for the hospital by the pond should be invested in training Caymanian doctors, nurses and lab technicians. This would be an investment that would guarantee that when these people shall have been trained, the money which they earn will stay in the country.

At the same time, I must acknowledge the service given to the country by foreign people who come here to work but would like to state that it is a two-way street, while the Island benefits from the work which these people perform, they too benefit from their sojourn in this Country.

The Capital Budget of the Government for 1992, leaves much to be desired as far as the needs of the districts are concerned. For example, I have only been able to identify one item of substance for the entire Bodden Town district and that is the reconstruction of the Savannah Heights Road. While we appreciate any small mercies which our dotting fathers may confer upon us, I would say that over the three years their neglect of Bodden Town and East End, particularly, has been noticeable to a marked degree.

This morning during question time I tried to elicit from the Member for Education whether he is going to complete the football field in Bodden Town in 1993. The year in which he claims he is going to do some work on the East End Playfield.

The reason why I say this is that I notice that he has completed two playfields in West Bay. In November 1984, the Member for Education and the Member for Tourism visited Bodden Town and I was silly enough to meet with them and amongst four projects, which we discussed that day, I was given the impression they were going to construct a football field at the Civic Centre of Bodden Town.

The Civic Centre had been completed in 1984 and had been built with rest-rooms and changing rooms in the back of the building which can be shut off completely from the main building with the hope that the land in the back of the building would have been converted to a football field. It is my recollection that during the period from 1984 until the present day, which is seven years, the Member for Education has never lifted his finger to complete this project, although, at one time between 1984 and 1988, some \$43,000 found its way in to the Estimates for the filling of that field. Whether he likes it or not, I think this was wilful on his part and an attempt to deny the representatives of Bodden Town any credit for anything. In fact, he often said this and at the close of 1988, he told somebody that I would not build a field and I was a Backbencher. The same thing he had said in 1976 when he failed to build a community hall in Breakers.

But this is serious when politics is played and I mean this. This is true. When politics is played with Government funds to the detriment of the people in the community. I do not think I suffered because he never built that field, it is the children of Bodden Town. Maybe some of them that fell away on drugs might have been helped. While it is well and good for him to get his picture in the paper or on CITV (which is the norm now) receiving some football plaque or something, what is important is that the children have a facility that they can use day by day.

I say he has failed this country and failed it badly. Everyone knows there were no playfields in Bodden Town until a certain Government between 1976 and 1984 built the one in Savannah and the one in Bodden Town at the Primary Schools. But both schools complain when the adults use these fields, so when the Civic Centre was built, it was hoped that the playfield would be built. The Member knows this. It has been discussed with him a 100 times and he just laughs or tells an untruth which he has done on many times about this project. I am disgusted with his behaviour.

He told me this morning, we will get that field in the next 11 months. This is the 11 months in which the great transformation is going to take place. Well, he did condition it on my behaviour and I can assure him that my behaviour until the day I die, will remain the way it has been in the past. Speaking out when evil is being done to my people! Speaking out when the underprivileged is denied the resources which this Government can afford. Speaking out when a Member does not do his job, when politics is played with the future of the Country.

Some time ago the Government accepted a motion to air-condition the Civic Centre in Bodden Town and to do some other improvements. I understand the Member's interpretation is now that he considered it and is not going to do anything about it. Well, I can only say that it is a shame that this building which was opened only seven years ago is in such a dilapidated condition. It is a Government asset and the Elected Members of Council have a responsibility for Government property. The tiles are out of the ceiling, glass in the windows is broken, the stove and the refrigerator are rusted. In the last seven years there has been no Government interest in that building and it stands as an indictment of their bad attitude and their lack of faith in the Caymanian people.

The Town Hall is also in bad condition. Some construction work was done there, must have been almost a year ago and I still see the dust from it on the floor.

We had a meeting at the Breakers Community Hall, the same hall that the Member would not build for four years, although the money sat in the Budget, and weeds have grown around the door so that the burrs get on the knee of your pants as you try to enter. And they do not even know the building is there. But I bet they never miss an opportunity to get their pictures on CITV! Or never miss an opportunity to pose with that Colgate smile for the newspapers. I hold the four of them responsible.

The last year's Estimates, 1991, money appeared in it for launching ramps in Bodden Town, Newlands and Frank Sound. On that historic meeting in November or December 1984, the meeting with the Member for Tourism and the Member for Education, a launching ramp For Bodden Town was one of the four projects mentioned by me. Since that time the cry has been taken up by Mr. Franklin Smith, who is an ex-Member of the House, and the First Elected Member of Bodden Town. Seven years later we are as far from the launching ramp in Bodden Town as we were seven years ago.

I know the Finance Committee approved money for the purchase of a piece of land, but if it took seven years or even say three years, since Mr. Franklin and the First Member tried to get this done, I do not think in this mystery year of 1992, they are going to be able to acquire the land and put up the ramp.

We did not request a launching ramp in Frank Sound but the Government is going ahead with it and perhaps it may be a good thing but one wonders why they are putting this in one of the replenishment zones?

A few days ago the First Elected Member For Bodden Town and I, accompanied his Excellency the Governor on a visit to Bodden Town and on the programme, which he had prepared, we visited what was called in the programme the "Boat Ramp in Newlands". Let me tell you the money voted in the Estimate for the boat ramp in Newlands, has been spent. Every single penny of it has been spent! And the ramp is not touched. They have used that money in conjunction with some artist's design, some artist's conception of what a picnic table should look like and nature trails and barbecue pits. They have spent every dime of that money and they have filled a large portion of that mangrove but there is no boat ramp. But I understand this is only the beginning and next year, 1992, before the chickens come home to roost, that job will be completed. Why is it taking so long to get anything done? What kind of managers do we have?

The Finance Committee recently approved the purchase of Pedro Castle. This is a project which I endorse 100 per cent. I trust that if development is carried out on this site that the jobs will be given to local people, that the concessions will first be offered to local people. I am not talking about if they need an expert to deal with the meticulous job of the conservation of the castle or the restoration or the refurbishing. I am not talking about that. I am talking about if restaurants are put there, if stalls are put to sell hand-craft, that the spaces first be offered to local people, that if caretakers are needed for the garden and so on. That the people of the Savannah and Bodden Town district first be given an opportunity to have those jobs.

You see, I do not have much faith in the National Trust and I will tell you why. When it was formed back in the 1980s, I met with a man named Mr. Heavener and we talked about Bodden Town. This was probably just after the law was passed and just a day or two before he came to me, I heard an announcement on the radio that the National Trust was going to build a park in West Bay. I told him bluntly, I have no objection to a park in West Bay, but I think this is politics because of your Member, because this has nothing to do with the preservation of things historical. I told him if you want to start preserving things, I think you should do your first project in Bodden Town, which was the first Capital of this Island and there are many areas there of historical interest. I specifically mentioned one old house which I thought he could buy, turn into a museum, fill it with old furniture and so on. I never saw the man again because I had dared to object. Quickly that item came off his agenda, that is the one for the park and I believe he went on to something else.

If this Pedro Castle is to be restored, I trust that it will not be left to the National Trust alone and that if there is anyone alive who remembers the Castle as it stood 80 years ago or if there are any pictures, these will all be used and it will be restored as close as possible to its original condition.

I notice in the Budget that although the First Elected Member For Bodden Town and Mr. Franklin Smith, from 1988 requested certain roads, a request which has been renewed by the First Member and me I do not seem to see these specific roads mentioned in this Budget.

They have been the subject of questions, yet I see in it that in 1993 they have put aside \$127,000 for a certain road. Well I can only say, they can put aside anything for 1993 because I do not think they will be directing policy and I hope for the good of the Country, they will not be directing policy anywhere near that time.

MADAM SPEAKER:
to finish now, will you?

Honourable Member the time is now 4:30, you will not be able

MR. G. HAIG BODDEN:

No, Madam Speaker, I will need a lot more time.

MADAM SPEAKER:

Thank you.

Before I ask for the adjournment motion I would like to make a statement. This morning when the Second Elected Member For Bodden Town commenced his debate on the Budget, he mentioned the passing of Mr. Royal J. Anderson. This was rather sudden yesterday and I asked the Third Official Member if he could give me a summary of Mr. Anderson's career because I thought that the House would like me to make mention of this and also at the end thereof to ask the Clerk to convey the condolences of this House to Mrs. Anderson and the family.

OBITUARY **Mr. Royal J. Anderson**

"Mr. Royal J. Anderson was born on 5th August, 1923. He joined the Cayman Islands Police Service on 1st November, 1956.

On 5th August, 1957 a letter was received from the Commandant of the Royal Training School in Port Royal, Jamaica stating that Mr. Anderson had completed three months training. He was promoted to Lance Corporal on 26th January, 1960. Served in Cayman Brac from 10th July, 1963 to 1st January, 1964. Attended Jamaica Constabulary Traffic Department Motor Driving School in 1965.

Promoted to Corporal 1st January, 1970 and then to Sergeant (second class) on 1st October, 1970. Promoted to rank of Inspector 1st January, 1975.

Served as Driving Test Examiner.

Mr. Anderson was commended for excellent turnout in 1968 during a VIP visit. He was well respected as a Police Officer and carried out his duties in an exemplary manner.

Mr. Anderson retired from the Police Force on 31st January, 1978. He worked as Store Manager with Cayman Airways Limited from 1979 to 1982.

In September 1982 he resumed duties with the Cayman Islands Government as Deputy Chief Security Officer, Civil Aviation Department, where he remained until 31st August, 1985.

On 2nd September, 1985 he was again temporarily employed as an Office Attendant, Computer Services and transferred to Security Guard for the Administration Building on 1st September, 1986 where he worked until his death on 19th November, 1991.

Mr. Anderson was also an Elder of the United Church in Bodden Town and a member of the choir."

I know the Members of the House will join me in expressing the condolences to the family. I would ask perhaps at this time that Members will stand for a moment of silence.

(THE HOUSE PAUSED FOR A MOMENT OF SILENCE)

MADAM SPEAKER:
moved.

Please be seated. The motion for adjournment will now be

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 4:30 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., THURSDAY, 21ST NOVEMBER, 1991.

**THURSDAY
21ST NOVEMBER, 1991
10:01 A.M.**

MADAM SPEAKER: Prayers by the First Elected Member for Bodden Town.

PRAYERS

MR. ROY 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.

MADAM SPEAKER:
for West Bay, No. 238.
Member for East End.

Proceedings are resumed.

Questions to Honourable Members. The First Elected Member

He is absent. We shall proceed to question No. 239, the Elected

QUESTIONS TO HONOURABLE MEMBERS

THE ELECTED MEMBER FOR EAST END TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE

NO. 239: Would the Honourable Member say whether there are any plans to revise and re-establish marine designated areas which may now be replenished?

ANSWER: There are presently no plans to revise the Cayman Islands Marine Parks system. The Marine Parks were established in 1986 and are made up of three types of zones: marine parks zones, replenishment zones and one environmental zone. The replenishment zones were set up specifically to serve as areas where conch and lobster could reproduce and thereby re-populate the open zones. This would maintain the fisheries and help to prevent overfishing. Examination of conch population data, collected annually by the Natural Resources Unit over the past four years indicates that the zones are indeed fulfilling this purpose. In order to make definitive or conclusive statements regarding the status of the conch population, it is necessary to collect still more data and submit it to rigorous statistical testing. This will be done over time.

The Marine Park system is closely monitored by the Natural Resources Unit and is considered to be a model within the regional scientific community as well as being internationally renowned. Monitoring and enforcement of the parks will continue and management techniques based on reliable scientific information will be employed to address any problems that may arise in the future. At present the marine parks can be seen to be working well and the Cayman Islands can be justifiably proud to be "in the vanguard" in this area of environmental conservation.

MADAM SPEAKER: Supplementaries. If not, we shall proceed to the next question No. 240, standing in the name of the Elected Member for East End.

THE ELECTED MEMBER FOR EAST END TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES

NO. 240: Would the Honourable Member state whether there are any plans to strengthen the medical staff of the East End Clinic so as to offer a doctor's service on a 24-hour basis?

ANSWER: There are no plans to staff the East End Clinic on a 24-hour basis.

MADAM SPEAKER: Supplementaries. If there are no supplementaries, the next question is No. 241, standing in the name of the Elected Member for East End.

THE ELECTED MEMBER FOR EAST END TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES

NO. 241: Would the Honourable Member state how many areas were investigated as a possible site for the new Hospital prior to deciding upon the present one?

ANSWER: A search of all Crown-owned land was conducted at the Land Registry and five sites were selected and analysed prior to deciding on the site for the new Hospital.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementary, the Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I wonder if the Member could tell us exactly the location of the other properties involved?

HON. D. EZZARD MILLER: Madam Speaker, all of that information, the sites, the way it was analysed, is contained in the Health Services Plan which was tabled in this Honourable House in February, 1990. I do not have a copy of the Plan here from which I could quote at the present time.

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: Would the Member be able to say if the other properties were of the same terrain as the one chosen on which to build the Hospital?

HON. D. EZZARD MILLER: Madam Speaker, some were of similar terrain but again all of that information is in the report and I do not have the report here to quote from.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Was there any comparison done between purchasing land that may have been of a better quality than the site chosen and comparing the cost of bringing the present pond site up to level or standard, whatever, for the building?

HON. D. EZZARD MILLER: No, Madam Speaker, that exercise was not conducted because it would have entailed geotechnical engineering and topographical surveys of every site and there is really no site in Cayman of 30 acres that is not already developed that does not have some swamp or similar terrain on it.

MADAM SPEAKER: The First Elected Member for Bodden Town.

MR. ROY BODDEN: Thank you, Madam Speaker. I wonder if the Honourable Member could say what characteristics led to the decision of choosing the present site as the best for the location of the new Hospital?

HON. D. EZZARD MILLER: Again, Madam Speaker, all of that information is contained in the report to which I referred to earlier.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Were any tests taken on the present proposed site, geological ones, before you chose it?

HON. D. EZZARD MILLER: I have already answered that question in the negative, Madam Speaker.

MADAM SPEAKER: The next question is No. 242, standing in the name of the Third Elected Member for George Town.

THE THIRD ELECTED MEMBER FOR GEORGE TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS, WORKS AND AGRICULTURE

NO. 242: Would the Honourable Member say: (a) if there are any leaks in the underground sewage pipes; (b) when last and how often in the past year have the pipes been tested for leaks; and (c) what is the effect of the raw sewage leaking from these pipes into the ground?

ANSWER: (a) Yes there are a number of leaks in the underground sewer pipes. Seven in all.

(b) A comprehensive survey was carried out of the whole sewer system in late 1990. It was during this survey that the leaks were identified and isolated. Before and since that time continuous monitoring of the whole system continues as a matter of routine. Regular bi-monthly conductivity sampling is carried out and comparison of these results is a good indication of any increased ground water infiltration into the sewer, as throughout the area, the water is very saline. Regular visual inspections are also carried out along the length of the sewer to check for leaks.

(c) The majority of the sewer is located below ground water table and therefore the leaks that exist only allow ground water into the sewer and the external water pressure will not allow the raw sewage to leak into the ground.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementaries. The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Could the Member say what the possible amount of water leaking through these seven leaks is in relation to the amount of sewage being processed, roughly?

HON. LINFORD A. PIERSON: Madam Speaker, I am informed that it is about 20 per cent.

MADAM SPEAKER: Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Could the Honourable Member say who is responsible, or who was responsible for the work and can he say why this was caused, whether it was the choice of pipe, or the way it was laid, or what?

HON. LINFORD A. PIERSON: Madam Speaker, in answer to that question, the contract was carried out by Hadsphaltic and basically the problem arose from the way in which the pipes were laid.

MADAM SPEAKER: Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Could the Honourable Member say whether there is either any retention money or any recourse against Hadsphaltic and secondly, whether the 20 per cent extra water that is being processed is being paid for by the people who use the sewage lines off the road there?

HON. LINFORD A. PIERSON: Madam Speaker, the matter of any recourse on the problems being experienced is a matter for arbitration. It is now before arbitration and I am not able to give any further information at this time as it could be sub judice.

MADAM SPEAKER: The next question is No. 243, standing in the name of the Third Elected Member for George Town.

THE THIRD ELECTED MEMBER FOR GEORGE TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES

NO. 243: Would the Honourable Member say what is the estimated respective costs of the foundation and of excavating and filling the site for the new Hospital?

ANSWER: The estimated cost of the foundation for the new Hospital is CI\$167,925. The estimated cost of site work, including excavating and filling, and roads and parking lots is \$1,004,778.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementary. The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Could the Honourable Member say who carried out these estimates and whether it was done after excavation, testing or boring?

HON. D. EZZARD MILLER: Madam Speaker, these estimates were prepared by the consulting architects, Ellerbe Beckett/Chalmers Gibbs, after the engineering and site work was done on the property.

- MADAM SPEAKER:** The Third Elected Member for George Town.
- MR. TRUMAN M. BODDEN:** Thank you, Madam Speaker. So these are firm figures?
- HON. D. EZZARD MILLER:** Madam Speaker, the answer is quite explicit. It says the estimated cost. The Member is quite aware that firm figures in construction do not exist in Cayman until after the work is completed.
- MADAM SPEAKER:** The Third Elected Member for George Town.
- MR. TRUMAN M. BODDEN:** Madam Speaker, could the Honourable Member then say whether the people who gave the estimates were given sufficient access and carried out all of the tests that they deem necessary upon which to base the estimates?
- HON. D. EZZARD MILLER:** Yes, Madam Speaker.
- MADAM SPEAKER:** The next question is No. 244, standing in the name the Third Elected Member for George Town.

THE THIRD ELECTED MEMBER FOR GEORGE TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES

NO. 244: Would the Honourable Member say how often in the last year has a Senior Member of the Public Health Department inspected and reported on the pumping stations including the sewage vents and would he state the result of each?

ANSWER: Within the last year a Senior Environmental Health Officer has visited and inspected sewerage pumping stations on three separate occasions to investigate complaints of odour nuisances.

On 20th February, 1991, at 9:10 a.m., a complaint was received from a resident of Parkway subdivision and the matter was investigated at 3:30 p.m., the same day. The Officer found that the report was justified and notified the Water Authority of a possible malfunction in the system.

During the month of May several complaints were received from members of the public. As a result of these recurring complaints the Chief Environmental Health Officer inspected several of the pumping stations and subsequently brought the matter to the attention of the Water Authority where it was agreed to effect the necessary rehabilitative work to all pumping stations.

On 30th September, 1991, the Environmental Health Department received a letter from the Cayman Islands Hotel and Condominium Association which expressed concern for the adverse impact on tourism from the odour problem.

Since the repair work had already commenced on the pumping stations the matter was referred to the Director of the Water Authority for necessary action. The Director issued a news release on 2nd October, 1991, to inform and assure the public that the repair work had commenced and would be completed by 30th November, 1991. Repair work is still outstanding on pumping station Number 1.

Throughout the period of repairs Senior Officers from the Environmental Health Department also made several visits to review the work. The situation will continue to be closely monitored by the Environmental Health Officers.

SUPPLEMENTARIES

- MADAM SPEAKER:** Supplementary. The Third Elected Member for George Town.
- MR. TRUMAN M. BODDEN:** Thank you, Madam Speaker. Would the Honourable Member say whether the Environmental Health Department only visited in previous times when there were complaints, or whether there is a routine period for visiting? I guess my next question is whether anybody drives that road and can smell in the mornings when they are coming up? I mean it is obvious.
- HON. D. EZZARD MILLER:** Madam Speaker, the area is checked routinely. Environmental Health Officers do drive up and down on the road. But besides the normal checks that they do, they do act specifically on complaints.
- MADAM SPEAKER:** The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Can the Honourable Member say whether the situation is going to get any better, or are they finding it progressively reaching a stage where it will be acceptable, from the human point of view, anyhow?

HON. D. EZZARD MILLER: Madam Speaker, the answer indicates that the Senior Environmental Health Officer is satisfied that the work being undertaken by the Water Authority will solve the problem.

MADAM SPEAKER: The next question is No. 245, 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 ELECTED MEMBER FOR COMMUNICATIONS, WORKS AND AGRICULTURE

NO. 245: Would the Honourable Member say what is the present status of the Government owned property on North Church Street next to the Lobster Pot which used to house the Ricky Tash Fish Shop?

ANSWER: Following newspaper advertisements on 26th and 31st July and 2nd August of this year, a list of 5 prospective tenants was submitted to Executive Council. Executive Council decided to lease the property to Mrs. Patricia Edwards-Kline for use as a restaurant, subject to her meeting the necessary Planning and Public Health requirements.

The essential elements are:

- (i) lease for five years (with an option to renew) and subject to a rent review after three years);
- (ii) initial rent: CI\$1,200 per month;
- (iii) a four month rent free period in lieu of repairs and renovations.

The lease has not as yet been formally executed because the planning application has not had a final decision from the Central Planning Authority.

Madam Speaker, I would add that this morning I have been informed that the Planning Authority has in fact approved the application for this restaurant to go in that area.

SUPPLEMENTARIES

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

MR. GILBERT A. McLEAN: Thank you, Madam Speaker. Could the Member confirm, in light of his reply, that Government then will not itself be undertaking the repairs to this building but is renting it in its present state, as is?

HON. LINFORD A. PIERSON: Yes, Madam Speaker. As stated in the substantive answer, a four month rent free period has been agreed upon in lieu of the necessary repairs and renovations. So it is being rented in its present state.

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

MR. GILBERT A. McLEAN: Was any thought given by Government to using this building for its own purposes, perhaps, for example, in the Social Services, seeing as it is one story and it is within a fairly densely populated area of George Town?

HON. LINFORD A. PIERSON: My understanding on that, Madam Speaker, is that this building was examined for various possible uses but as an area for Social Services, it was considered to be inadequate for that purpose.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Would the Honourable Member please say how much per square foot this rental is and whether the option to renew, at least I assume it looks like it is for five years? Thirdly, where is the parking coming from for it?

HON. LINFORD A. PIERSON: Madam Speaker, again referring to the substantive answer, It have in fact said that the lease is for five years with an option to renew and subject to rent review after three years. As regards the second part of the supplementary, the question of parking has already been considered by Planning and is satisfactory to Planning.

MADAM SPEAKER:

The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN:

I did not hear the Honourable Member say how much per square foot it was and I would ask if he would know because I see that he has some of his staff there. If he would give a comparative with what Government has been renting just up the road from it per square foot?

HON. LINFORD A. PIERSON:

Madam Speaker, I do not have available with me the per square foot cost but the rent will be CI\$1,200 per month. I can make that information available to the Member.

MADAM SPEAKER:

The First Elected Member for West Bay.

MR. W. McKEEVA BUSH:

Thank you, Madam Speaker. Can the Member say how many parking spaces are provided for that business?

HON. LINFORD A. PIERSON:

Madam Speaker, it is my understanding that the restaurant facility requires 10 parking spaces, six on site and four otherwise, and that the application to Planning has complied with those requirements.

MADAM SPEAKER:

The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN:

Can the Honourable Member say whether these parking spaces are going to come out of the area that has been used for parking trailers and for use of the boat ramp that is there?

HON. LINFORD A. PIERSON:

Madam Speaker, my understanding is, no, the parking that is available to the building will not be utilising the space for trailers. The parking is right next to the building.

MADAM SPEAKER:

The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN:

Can the Honourable Member say whether he has passed that site recently and whether he has not seen all of the trailers that have to be parked, are parked to the north of that building? There is no other place to park.

HON. LINFORD A. PIERSON:

Madam Speaker, I think that the Member recognises that I am a representative for George Town. I pass there quite regularly and I do know the area quite well. I know that it is congested at times but as I mentioned in my previous answer, the space that has been made available for parking is not the present space used by the trailers. It is right next to the building.

MADAM SPEAKER:

The Second Elected Member for Cayman Brac & Little Cayman.

MR. GILBERT A. McLEAN:

Could the Member say if all contractual obligations between Government and the last lessee have been met since the change-over?

HON. LINFORD A. PIERSON:

Madam Speaker, it is my understanding that there are some outstanding payments that have to be made but that proper arrangements have been made for the monthly repayment for these outstanding amounts.

MADAM SPEAKER:

The next question is No. 246, 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 ELECTED MEMBER FOR COMMUNICATIONS, WORKS AND AGRICULTURE

NO. 246:

Would the Honourable Member say what are the basic requirements of the Central Planning Authority to be met for the approval of subdivisions in Grand Cayman?

HON. LINFORD A. PIERSON:

Madam Speaker, despite the provisions of Standing Order 22(1)(f)(x), which basically states that questions shall not be asked that can be found in available official publications, I believe that for the information of the House and the listening public this is a good question and that I should read out the details, even though it is found in section 19 of the Development and Planning Regulations, 1977.

ANSWER:

The basic submission requirements as per section 19 of the Development and Planning Regulations, 1977, are as follows:

- (1) Applications for subdivision are to be made on the form provided stating the Registration Section, Block and Parcel Number of the land and must be signed by the proprietor or his agent.
- (2) In subdivisions of six lots or less three prints of the proposals shall be submitted

and such prints may be copies of the registry index map.

- (3) In subdivisions of over six lots, six prints shall be submitted, the original being signed by the proprietor or his agent and the person who prepared it.
- (4) Proposed subdivisions are to be drawn to one of the following scales - 1:625 (i.e. 1 inch to 625); 1:1250; 1:2500.
- (5) The plans shall show-
 - (a) the location of site (shown as an inset with the site bordered red together with the Block and Parcel numbers of adjoining lots);
 - (b) the road layout, including road widths and access;
 - (c) the approximate lot sizes;
 - (d) land use within the subdivision, including land for public purposes; and
 - (e) existing topographical detail. (The Authority may require a separate topographical map.)
- (6) Applications shall be accompanied by a statement as to-
 - (a) water supply and sewage disposal;
 - (b) road specifications;
 - (c) power and light to be available; and
 - (d) drainage.

Subdivisions of six lots or less are not subject to an application fee. Subdivisions of over six lots are subject to an application fee of CI\$60.00 per lot, as per the fee schedule of the Development and Planning Regulations, 1977.

In addition to the basic submission requirements, subdivisions are subject to other sections of said regulations as follows:

- (a) Section 20 regarding roads, including construction to a minimum standard of two coats of chip and spray;
- (b) Section 23 regarding provision of lands for public purposes;
- (c) Section 8(5),(6),(7) and section 9 regarding lot sizes.

SUPPLEMENTARIES

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

MR. GILBERT A. McLEAN: Would the Member say if the requirement of the Planning Department to have roads constructed with two coats of chip and spray, has been a recent requirement and has it been published, and is it widely known among developers?

HON. LINFORD A. PIERSON: Madam Speaker, this was a policy that was developed some time last year. Prior to that developers were required to prepare their roads with only one coat of chip and spray but the Public Works Department and Planning found that that was inadequate as roads were quickly deteriorating and that was upgraded to a second coat, or two coats of chip and spray.

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

MR. GILBERT A. McLEAN: Madam Speaker, I did not quite understand the Member in his reply, if indeed this is something that is published and known by developers that they are required now to put down two layers of chip and spray on subdivision roads?

HON. LINFORD A. PIERSON: Madam Speaker, my understanding is that this was communicated to developers whenever they made application for developing a road and that this was not published in advance but only communicated upon receipt of those applications.

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

MR. GILBERT A. McLEAN: Madam Speaker, would the Member confirm that there are instances where the Planning Department, without real basis of doing so in Regulations or in rules which are set down and widely known, place certain requirements on people applying for subdivisions, which is, to a large extent, to their financial disadvantage?

HON. LINFORD A. PIERSON: Madam Speaker, I should clarify that any matters regarding an application is not dealt with by the Planning Department but by the Central Planning Authority which is a statutory body, with the Planning Authority acting as advisors. But I am reliably advised that the Planning Authority abides by

the provisions of the law and does not in fact act ultra vires the law.

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

MR. GILBERT A. McLEAN: Could the Member say whether the Planning Authority has, at any time, required a developer of a subdivision to fill some of the lots before they will be given approval from the Planning Authority?

HON. LINFORD A. PIERSON: The answer is, yes. This is a requirement of the CPA in keeping with the Mosquito Research and Control Unit Law regarding filling of lots and meeting certain requirements.

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

MR. GILBERT A. McLEAN: Madam Speaker, could the Member confirm then that a developer of a subdivision can no longer sell a lot of raw land "as is" with the cost of filling it, or whatever, going to the buyer to whom he can sell it more cheaply but that also now becomes a cost of the developer; and does the public know this part of it as well?

HON. LINFORD A. PIERSON: Madam Speaker, the requirement is that before an application coming before the CPA will be approved, it has to meet certain requirements or criteria. Now I think the Member is soliciting whether the vendor could sell this in its raw state. The answer would be, yes. But before the purchaser could then get approval from the Central Planning Authority (CPA) he would have to meet the requirements of the CPA, which would mean perhaps in areas where the land is very low, building that land up to the requirements under the Regulations.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Would the Honourable Member say whether the Central Planning Authority and/or its departments that are attached, Public Works, whatever, have required many subdivisions to have the asphalt/concrete roads rather than the chip and spray and what is the reason for this?

HON. LINFORD A. PIERSON: Madam Speaker, I think the basic answer to that supplementary would be that different levels of traffic demand or require different levels of roadway construction. For example, a main road or a residential collector road would generally require a higher standard than local roads within a subdivision. The type and standard also is relative to the standards of the surrounding developments.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Would the Honourable Member say whether Government, on major roads, still uses chip and spray under traffic far heavier than you would find elsewhere? Charity begins at home.

HON. LINFORD A. PIERSON: Madam Speaker, I think it should be understood that chip and spray requirement is the minimum, less costly of the requirements. So the answer to that supplementary is, yes, Government still uses that basic requirement but as I mentioned earlier, there are various levels of requirements depending on the type of development in question.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Does the Honourable Member realise that the high cost of many of these lots, with the more recent conditions put on, are making it impossible for the average Caymanian to buy lots to build houses on?

HON. LINFORD A. PIERSON: Madam Speaker, I totally appreciate the point being made by the Member but I would advise this Honourable House and the listening public that the problem goes beyond the basic cost that is spent on a road.

Right now before my Portfolio I have about three subdivisions that are creating a lot of problems for the Government in trying to decide how we are going to address the question of repairing roads where the Planning, in its attempt to assist developers, agreed for developers to move into an area without meeting certain requirements, which would have made the property more costly. But the end result is that Government has to go back in and repair those roads so it becomes even more costly to Government in the end. So somebody has to pay for this.

Either it is going to be done properly initially, or Government has to come from behind and do the necessary repairs as we are having to do now with about three or four subdivisions.

MADAM SPEAKER: We shall proceed to the next question No. 247, 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 ELECTED MEMBER FOR COMMUNICATIONS, WORKS AND AGRICULTURE

NO. 247: Would the Honourable Member say what was the purpose of Government creating a road immediately opposite the Scott's quarry on the South Side in Cayman Brac?

ANSWER: The detour road was provided for the purpose of allowing the traffic - to and from the airport, hotels and private residences - access with as little disruption as possible while a section of the Gerrard Smith Avenue was closed for repairs to be carried out on an area that had developed sub-surface problems which had become dangerous and could have caused accidents if left in the condition it was in.

SUPPLEMENTARIES:

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

MR. GILBERT A. McLEAN: Could the Member confirm that this road, both in its width and in its surface, has gone far beyond what is normally considered "temporary detour roads" when road construction is being carried out?

HON. LINFORD A. PIERSON: Madam Speaker, I would not wish to express an opinion as I always take my guidance in these technical matters from the engineers. I understand that the road that is there now was necessary. It was built at a cost of \$8,956.48 and the repairs to Gerrard Smith Avenue, which indicates the gravity of the problem there was, in contrast, at a cost of \$35,984.57.

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

MR. GILBERT A. McLEAN: Madam Speaker, could the Member confirm that this detour road is approximately a 30-foot road which is finely surfaced and so on, through a particular property?

HON. LINFORD A. PIERSON: Madam Speaker, it is my understanding that it is a 30-foot road but it is not a surface with any of the hot-mix surfacing, to the knowledge of the Chief Engineer.

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

MR. GILBERT A. McLEAN: Could the Member say who authorised a road of this nature to be constructed and if it passes over Government property, or if not, whose property does it pass over?

HON. LINFORD A. PIERSON: Madam Speaker, it is my understanding that this was authorised through the District Commissioner and that the road passes through the property of Mrs. Zena Scott which is Block 95B, Parcel 188, approximately 390 feet; through the property of Captain Mabry Kirkconnell, Block 95C, Parcel 175, approximately 900 feet; and Marie Avenue gazetted public road, approximately 350 feet intersecting Gerrard Smith Avenue.

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

MR. GILBERT A. McLEAN: Madam Speaker, could the Member say whether there is any intention of gazetting this road as a public detour road, or if it is a private road, does the public really have any access to it at this point in time?

HON. LINFORD A. PIERSON: Madam Speaker, a part of this detour road is already gazetted as a public road some 350 feet but there is no intention, at this point in time, to gazette the rest of the approximately 1,300 feet of road.

MADAM SPEAKER: The First Elected Member for Cayman Brac & Little Cayman.

CAPT. MABRY S. KIRKCONNELL: Thank you, Madam Speaker. Will the Honourable Member confirm that on one of the Honourable Administrative Secretary's visits to the Brac, who is the Member responsible for District Administration and was at that time supervising roads, or responsible for roads, we toured the area with the Deputy District Commissioner, Mr. McLean and myself, we realised the gravity of what could happen with the road. It was sinking and it was believed to be because of the impact from the quarry of Scott's, which is nearby and when the road was built there was no vibrating roller on the Island....

MADAM SPEAKER: Honourable Member that is a lengthy statement, would you please get to your question.

CAPT. MABRY S. KIRKCONNELL: I am coming to my question very quickly, Madam Speaker.

MADAM SPEAKER:

Well, please get to it.

CAPT. MABRY S. KIRKCONNELL:

But therefore, what I am really getting at is this is in fact built through my property, property that has been serialised by Government for airport proximity since 1973, but I am asking it is not a fact that it was known that the diversion road was required because of fire protection and hotel traffic?

HON. LINFORD A. PIERSON:

Madam Speaker, the Member is quite correct. This matter has been dealt with for quite some time and it is my understanding that, yes, the Honourable Administrative Secretary was aware of this and the condition of Gerrard Smith Avenue at the time, which was, as I said, in a very dangerous situation and it was necessary to have these repairs done and also necessary to have the detour road done at the same time in order to provide traffic to and from the hotels and other areas around.

MADAM SPEAKER:

The Second Elected Member for Cayman Brac & Little Cayman.

MR. GILBERT A. McLEAN:

Thank you, Madam Speaker. Would the Member say if by this road being constructed through these properties the land value would have increased and if Government has any intention of attempting to seek the value of the road which was put through these properties from the property owners?

HON. LINFORD A. PIERSON:

Madam Speaker, the land values in that area may have increased but I think the important point is that it provided a necessary and needed public service to Government. The question, conversely, could be asked what compensation should be paid to the land owners?

MADAM SPEAKER:

The Second Elected Member for Bodden Town.

MR. G. HAIG BODDEN:

Madam Speaker, may I ask the Member why it was necessary to have such a long road, some 1,300 feet and if he knows that the road travels first south and then east like opening up a subdivision? Does he know that?

HON. LINFORD A. PIERSON:

Madam Speaker, as I said earlier, the design of the road, the corridor, is a matter for the engineers. This was agreed as the most appropriate route to take as a diversion so I am not able to add anything to what has already been said.

MADAM SPEAKER:

The next question is No. 248, standing in the name of the Third Elected Member for West Bay.

THE THIRD ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE

NO. 248:

Would the Honourable Member say what role does the National Sporting Committee play in the sporting programmes in Government Schools?

HON. BENSON O. EBANKS:

Madam Speaker, this question was first received enquiring what role the National Trust Committee played in sporting programmes in Government Schools. An answer was prepared to the effect that:

ANSWER:

Neither the National Trust Council nor any of its subsidiary committees are involved in the sporting programmes in Government schools.

Late on Tuesday last I received a corrected version of the question substituting the National Sporting Committee for the National Trust Council as the organisation being enquired about. I regret that this does not take me any farther forward as neither I, nor anyone in my Portfolio, know of any such organisation as the National Sporting Committee.

SUPPLEMENTARIES

MADAM SPEAKER:

Supplementary. The Third Elected Member for West Bay.

MR. JOHN D. JEFFERSON, JR.:

Thank you, Madam Speaker. If it is not the National Sporting Committee, can the Member confirm whether or not there is a National Sporting Council?

HON. BENSON O. EBANKS:

Madam Speaker, the nearest I can assume, now that he has mentioned the Sporting Council, would be the Cayman Islands Sports Council which is an administrative advisory body.

MADAM SPEAKER:

The Third Elected Member for West Bay.

MR. JOHN D. JEFFERSON, JR.:

Madam Speaker, that is the same organisation that I was

enquiring about. I wonder if the Member can say what is the role of this particular body as far as the sporting programmes in the Government Schools?

HON. BENSON O. EBANKS: Madam Speaker, the Cayman Islands Sports Council was established to advise the Member, generally, on the development of sports in the Island, including the provision of playfields but as such they have no direct responsibility for the sporting programmes in the Government Schools.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Would the Honourable Member say whether that body has been sitting and advising him at all in the last seven years?

HON. BENSON O. EBANKS: Madam Speaker, I could not be specific about seven years because it was established administratively, as I said, and I do not remember the date on which it was established. It has functioned over the years until this last year. During the course of last year, it was found difficult to even get a quorum for the Council and this year it has been rather inactive.

**11:00 A.M.
SUSPENSION OF STANDING ORDER 23(7) AND (8)**

MADAM SPEAKER: It is now 11:00 o'clock.

HON. THOMAS C. JEFFERSON: Madam Speaker, I believe it is the wish of Members that I, under Standing Order 83, move the suspension of Standing Order 23(7) and (8) to allow the other supplementaries and questions to be taken this morning.

QUESTION PUT: AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED TO ENABLE THE REMAINING QUESTIONS ON THE ORDER PAPER TO BE TAKEN.

SUPPLEMENTARIES ON QUESTION NO. 248 (CONTINUING):

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Would the Honourable Member say whether one of the reasons for this Council going defunct is that it had been giving advice and really the advice had not been used?

HON. BENSON O. EBANKS: No, Madam Speaker. The advice has certainly been used, whether entirely as given is another question. But for example, Madam Speaker, the Council always advised on the appointment of the Sports Person of the Year and that nomination has never, ever been overruled.

MADAM SPEAKER: The Third Elected Member for West Bay.

MR. JOHN D. JEFFERSON, JR.: Madam Speaker, I am a bit concerned here that this particular Council is not functioning. I wonder if the Member could say what his plans are as far as the future of this particular body is concerned?

HON. BENSON O. EBANKS: Madam Speaker, I am reviewing the position. One must understand that this is not a statutory council. This is a council which I established, at my volition, to receive advice from sporting bodies. When one invites people to sit on a council and they do not turn up for meetings, I cannot force them to give me advice.

MADAM SPEAKER: The First Elected Member for West Bay.

MR. W. McKEEVA BUSH: Thank you, Madam Speaker. Madam Speaker, the Sports Council was something formed quite a long time ago. I do not know whether he formed it or not, but it was formed when we got into office in 1984. What steps has the Member taken, since this body is an advisory body which is supposed to give him advice on sports, to find out why the people are not attending?

HON. BENSON O. EBANKS: Madam Speaker, I think the Member is inferring that the Council was in existence before 1984. I believe that the Third Elected Member for George Town could answer that question. To the best of my knowledge the Third Elected Member for George Town, when he had responsibility for Sports, established a similar council with some 72 members and ended up with none attending, the same as has happened to me.

The truth of the matter is, Madam Speaker, that the various associations have been strengthened to the point where they make individual representations to the Member. There is also a very active National Olympic Committee that has superceded a lot of this advice and as I said, the individual associations have become so strong that they always come in and made individual representations. So the purpose of having formed the Committee has somewhat dwindled.

MADAM SPEAKER:
Elected Member for West Bay.

The next question is No. 249, standing in the name of the Third

THE THIRD ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS, WORKS AND AGRICULTURE

NO. 249: Would the Honourable Member advise of the status of plans to establish cruise ship docking facilities in the Cayman Islands?

ANSWER: The Port Authority has asked the UNDP for assistance in preparing terms of reference to go out to tender for proposals in the preparation of a Master Port Development Plan for the Cayman Islands.

This Plan will include the feasibility of establishing a cruise ship docking facility in the Islands.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementary. The Third Elected Member for West Bay.

MR. JOHN D. JEFFERSON, JR.: I wonder if the Member could confirm if it is the proposed plan then, to locate the docking facility in the George Town Harbour area, or where is it being proposed?

HON. LINFORD A. PIERSON: Madam Speaker, this type of information will become available when the report on the Master Port Development Plan has been completed.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Would the Honourable Member say when he expects getting back this report?

HON. LINFORD A. PIERSON: As soon as possible, Madam Speaker.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Madam Speaker, could the Honourable Member say whether the people who are doing this define "as soon as possible" in some periodic and understandable length?

HON. LINFORD A. PIERSON: No, Madam Speaker.

MADAM SPEAKER: Question No. 238 was not asked, as the Member was not present. We can refer to that now.
The First Elected Member for West Bay.

MR. W. McKEEVA BUSH: Thank you, Madam Speaker. I am sorry that I was not in the Chamber. I had an emergency that I had to attend to.

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?

**DEFERMENT OF QUESTION NO. 238
Standing Order 23(5)**

HON. W. NORMAN BODDEN: Madam Speaker, under Standing Order 23(5), I beg the leave of the House to defer answering question No. 238 until a later date during this meeting.

MADAM SPEAKER: The Honourable Member has requested the permission of the House to defer answering this question until a later date under Standing Order 23(5). I shall put the motion.

QUESTION PUT: AGREED. QUESTION NO. 238 DEFERRED.

MADAM SPEAKER: That concludes Question Time.

GOVERNMENT BUSINESS

SUSPENSION OF STANDING ORDER 14

HON. THOMAS C. JEFFERSON: Madam Speaker, Thursday, in accordance with Standing Order 14(3), is the day when Private Members' Motions take precedence over Government Business. This was considered by the Business Committee and the view of the Business Committee is that the debate on the Budget should take its normal course and not be interrupted by the presentation of Bills or the presentation of Private Members' Motions.

I therefore recommend, under Standing Order 83 that we suspend Standing Order 14(3) to allow the debate on the Budget Address to continue.

QUESTION PUT: AGREED.

STANDING ORDER 14 SUSPENDED TO ENABLE THE DEBATE ON THE BUDGET ADDRESS TO PROCEED WITHOUT INTERRUPTION OF ANY OTHER GOVERNMENT OR PRIVATE BUSINESS.

MADAM SPEAKER:
for Bodden Town.

Debate continues on the Budget. The Second Elected Member

**CONTINUATION OF DEBATE ON THE BUDGET ADDRESS DELIVERED BY
THE HONOURABLE FIRST OFFICIAL MEMBER, FINANCIAL SECRETARY,
LEADER OF GOVERNMENT BUSINESS, ON FRIDAY, 15TH NOVEMBER, 1991**

MR. G. HAIG BODDEN: Madam Speaker, yesterday I said that the Member for Health was running so scared that he might not go ahead with the Capital Project which he has in the 1992 Budget.

What I had intended to say was the Member for Education was running scared and I want to apologise to the Member for Health for that error and also apologise to the House. Of course the Members know that a slip of the tongue is no fault of the brain. I will continue my discussion of constituency matters which I had started yesterday dealing with just one more item. After that I will proceed to sum up my debate. That item is roads.

We are not satisfied that the Member for Communications and Works is making any effort at all to carry out in the individual districts the requests which come up to him through the representatives of the people. We think he completely ignores the Member's requests and this is borne out by a letter which the First Elected Member for Bodden Town and I sent to him on 4th June, 1991, and also another letter which we sent to him in September, which repeated the same requests and suggesting that he make provision in the 1992 Budget since it appeared to us that he would not do any work in 1991.

I will read a part of this short letter because the two final paragraphs refer to a different matter. This letter to the Honourable Linford Pierson, Member for Communications:

"Sir:

We refer to our letters of September 18, 1990 and of November 5, 1990 regarding projects still to be completed in our constituency.

Listed below are roads which appeared on the Bodden Town District visit Summary Report of February 21, 1990." (I will just give the names of the roads).

Cleveland Carter
Mary Woodward
Josie Soloman
Savannah Heights
Ken Kelly
Bob Watler
Roy Bodden/Harvey Stephenson's Farm Road

Additionally, there is a request from Edmund Terry of Pedro (adjacent to Tela Powell's residence) and from the following residents of Cumber Avenue, Ondina Wood, Norman Frederick and Doreen Wood for patching and 2nd application.

There is too, the matter of toilet facilities at Savannah/Newlands Playground and the drainage problem at the Seaview Lunchroom.

We draw to your attention two serious conditions regarding fire safety. In the first instance at the lower end of the road to South Cayman Palms in the vicinity of Woodward Terry, Francine Gardner, Verdon Terry, Moises Bonilla residences, the road needs reconstruction so as to allow the proper use of the fire and emergency vehicles.

In the second instance the area of Cumber Avenue known locally as "First Well" could be so improved that it becomes a source of water and a maneuvering area for the fire units should there be an emergency in this area."

Although not contained in this letter, there had been many

requests with regards to flooding in that particular spot.

The Member totally ignored us with the exception of some work done on the Savannah Heights Road. We see that additional funds, some \$60,000, has been put in the 1992 Budget for the completion of the Savannah Heights Road. The other roads mentioned in this letter are very small projects which would cost probably \$30,000 to \$50,000 total with the exception of the farm road which leads past Harvey Stevenson's farm. That would be a major job.

That particular road was one of the four projects which I mentioned yesterday had been discussed with the Member for Education and the Member for Tourism in 1984, seven years ago. We understand that when the Member for Agriculture, Mr. Linford Pierson, made his publicity visit to Bodden Town, he attempted to visit Harvey Stevenson's farm. They found out, when they got to this road, they had travelled in the wrong equipment because they needed a motor boat. Their conclusion on that day, the comments they made, were that this road is too bad to fix. This is the road upon which our First Elected Member for Bodden Town is forced to live.

Politics has been played by the Member for Communications and his other three Elected Members in Council. They will not fix this road. This is serious when Government's money is withheld like the floods from the River Nile because the people did not behave or because they have sinned. A sad indictment against people elected to serve. It is my understanding that because of the same political reasons no work is being done in East End and very little in West Bay. None of the requests that have come up from the First Elected Member and the Third Elected Member for West Bay are attended to because the Elected Member in Council does not want any credit to flow down to those two Members.

We are talking about Government's money here. We are talking about \$130 million of public funds being measured out by people that I feel are not qualified although they have been elected to hold the positions and are not going about the job in the manner that this country deserves.

In summing up, I would like to make the following points. Public debt will rise to its greatest heights in 1992. Reserves will be reduced to their lowest figure in comparison to the Revenue that we have seen in many a year. Total Expenditure will be \$130.8 million. Estimates show a deficit of almost \$16 million. An inflation rate of 9 per cent at the end of the third quarter, and this during a recession. Nobody minds about inflation if it happens when the economy is booming. People do not worry about the cost of goods when there is economic activity and they can pay for the services. But we have now, for the first time that I can remember, what the Americans call "stagflation" where the economy is suffering but the prices are rising.

Our country, the Cayman Islands, has not benefited by the fall in oil prices at the end of the Gulf war because the Government keeps increasing the duties, 400 per cent on diesel in 16 months, 100 per cent on motor gas, local investment falling, Planning Permits down 66 per cent in the first quarter, 42 per cent in the second, October showing the biggest drop in tourist air arrivals. The sad part is that all of it will worsen with the introduction of the 1992 Budget.

A tax increase of \$9.7 million during this period will cripple our already sluggish economy. The systematic reduction of our Reserves by taking first, \$7.8 million and now another \$3.5 million reduces the interest that we could earned from this source. The tax hike on real estate resulted in a \$0.8 million loss of revenue where we had always enjoyed increased revenues. The increase on postage stamps resulted in an \$82,000 reduction from this source. The moratorium on the hotels resulted in a drop in Planning Fees. Deficit financing for three consecutive years.

I believe we have to take some serious steps. The Member for Tourism should table the Cayman Airways accounts today or tomorrow morning. The financial year ended in June. I believe he is holding those accounts, I do not know. I think he is holding them until after this Budget debate. The same reason why he did not answer that question a while ago. Covering up. Watergate would make them look like an archangel. They would make them look like the Virgin Mary. I want to see those accounts tabled tomorrow morning or a statement why he is holding them up until after the Budget debate.

I am calling upon the Government to halt the construction of the new Hospital. You see, they have adopted a new style. Only one of them is taking the licks for anything. For example, the Member for Health is talking all of the licks for the Hospital. The Member for Tourism took all of the licks for his bad decisions which plunged Cayman Airways into financial ruin. But they are all together because each one of them has four silent partners. Each one. They operate on the what is known as the "buddy system".

One of them, to get his pet project through, supports the pet projects of the other Members and they are all one big loving family. When they come out here the Member for Education wants you to believe it was the Member for Tourism who did this, and the Member for Tourism wants to put the blame on the Member for Communications, but they are altogether in it. Believe me, everyone of them is going to be called upon on the final day of reckoning. The answer. Silent partners though they be, they will pay the price. I am calling upon the Elected Members of Executive Council to reduce the taxes on motor gas, on diesel and to reduce the Hospital fees in an effort to reduce the cost of living and to allow the Health Services to be available to the poor people of this country.

Only last week we had to lend money to some poor person who had been denied medical services at the Hospital because they could not pay and would not have been able to go back for the treatment if they could not take the cash.

The Member for Health, with his three silent partners, have priced the Health Services beyond the reach of the people of the Cayman Islands. The Government, especially the Member for Education, must stop playing politics with Capital Projects in the districts. I will not go into the details because I elaborated on that yesterday, but he must stop.

Government must find a way to stimulate economic growth so that increased economic activity can result in more revenue for Government. Government must take decisive

actions and give out three television licenses because they were afraid of political repercussions. This is not Government! Because they wanted to get three separate fees to boost their revenue. This is not Government! They know full well, as the editorial in today's newspaper says, it is hardly feasible for the Cayman Islands to support three commercial, local, television services, when we have never had one before on a full time basis, with a full time license and they are granting three at one time. Just because they lack the intestinal fortitude to do what is right! Just because politics dictates their every action, this country is suffering!

We know, it has been proven, that this Island cannot support two daily newspapers because there is not the advertising money. There is not sufficient businesses to keep them in business. How is it going to support three television stations at one time? It is unfair to these people and it is unfair to the public. It is just another sign of a Government that lacks the courage to do what is right. I personally feel that they should have given that license to one person, whichever one they selected, and then say, "Within 12 months or 18 months, if it works, if you are doing well, and if the idea has caught on, we will examine other applications and then we will grant another license or maybe two more." But to start out with three is a sign of weakness, a weakness which I knew always existed amongst that group of silent partners.

Government must curb expenditure to fit the revenue. You cannot get blood out of stone. Government must curb its expenditure which is a the message of the Budget Address. They must do it. Government's haste in dealing with Cayman Airways has resulted in high cost money-wise to Government, a cost which will have to be taken out of the 1992 Budget. That same haste is leading them, the Member for Health with his three silent partners, into the new Hospital.

In today's newspaper there is a letter from the Cayman Islands Medical and Dental Society. Because the contents of that letter is so relevant to this Budget, I will read a few small excerpts from it. "2. We disapprove of the member as Chairman of this Board because the Board should be able to operate independently and without political interference.". Here we see the silent partners at work. They put him on that Board. The Member did not put himself there. The Member for Education and the Member for Tourism put him there.

This organisation says that the membership of the Board should include "more senior and experienced professional representation." The same thing that the consultants said about the Cayman Airways Board, that it must contain more people with the knowledge of running the business and running the airline.

"4. We believe that a senior nursing representative is desirable although we are aware that the Member does not share our view. We also suggest that there should be more independent medical input on the Board.

5. The present medical members on the Board are either civil servants or employees of the authority and therefore susceptible to coercion for fear of the consequences."

There is no doubt in my mind that if these Civil Service members on this Board get out of line they will be fired, they will be victimised, we know what happened to Dr. Kools. He dared to speak out against the folly of the silent partners.

"6. Too little time has been given to discuss these important matters adequately. We were given a two week deadline to deal with the Health Authority and a six week interval to study and discuss all aspects of the proposed Health Insurance proposals.

7. Of course this is haste,....".

This is what we have been saying. This is what caused the problem with Cayman Airways. They would not be in the dilemma that they are in today if it had not been for their undue haste.

MADAM SPEAKER:

Would this be an opportune time to take the break?

MR. G. HAIG BODDEN:
finish.

Madam Speaker, if you give me two or three more minutes, I will

MADAM SPEAKER:

Fine, thank you. Sure.

MR. G. HAIG BODDEN:

The letter goes on with more criticism but I only wanted to show that the people that will use this Hospital are the very people that feel the Plan is wrong, having a hospital on two sites. It is going to cost everybody more - more equipment, more stress on the staff, more stress on the patients, shifting them from out-patient to in-patient because a sick person can be an in-patient and an out-patient on the same day. It can happen.

But what with their silent partners and their newly found Finance Committee, they do as they like regardless of the advice. All that I would say in closing is that Government's haste resulted in difficulties with Cayman Airways. Let this not happen to the Medical Services upon which our very lives depend.

Thank you, Madam Speaker.

MADAM SPEAKER:

The House will be suspended for 15 minutes.

AT 11:43 A.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 12:06 P.M.

MADAM SPEAKER:

Please be seated. Proceedings are resumed. Debate continues

on the Budget Address. (Pause)

I am rather perturbed that Members are unable to speak and are resorting to sign language. (LAUGHTER) The Honourable First Official Member has returned at an opportune time. The First Elected Member for Bodden Town, please.

MR. ROY BODDEN:

Madam Speaker, I have to begin by wondering what kind of Budget this is when the very people whose Budget it is shy away, shirk and abnegate their responsibility to explain and promote the Budget to the Members of this Honourable House, and to the people of this country.

Madam Speaker, I am a freshman in here and on occasion I am still reminded of that. While I am not casting politicians into disrepute, I would have to say that the behaviour of some politicians surprises me and leaves more than a little to be desired because you see, Madam, I cannot understand what is so shameful about seizing the opportunity to promote one's budget except that the conscience of the Elected Executive Council must be bothering them. I do not really consider it a disadvantage in having to rise after my colleague, the Second Elected Member for Bodden Town who just closed the debate. You can rest assured the experience I am gleaming in this august House will serve me well in the future.

Madam Speaker, this Budget is an incomplete budget and I hope that by the time I offer my comments on it the Members of the Government could be so sufficiently motivated that they can stop wasting the time of this Honourable House and decide which of the four are going to reply to what has been said.

It is an incomplete budget for two reasons. In the first instance it contains no provision for the financing of what my colleague described as "the hospital in the lake." It contains no provision for the finances which we know will be needed by Cayman Airways Limited in the not too distant future. The management of the financial affairs of this country over the past three years leaves reason for alarm because in my preparation I have been scanning the Report of the Account General for the year ending 31st December, 1990. On page two, Table 1, where he listed the Five Year Trend in Recurrent Revenue, I was struck by the rise in what he has listed as Duty, Taxes and Licences.

I am not an economist or an accountant, indeed, I am just an old single-entry bookkeeper as was labelled by one of the Members of the Elected Executive, so I have no pretensions but this is glaringly obvious. In 1988, Duties \$34.3 million; in 1989, a rise to \$37.2 million; and in 1990, a rise to \$41.9 million. Taxes in 1988, \$5 million; 1989, \$6.4 million; 1990, \$7.4 million. Similarly, Licences in 1988, \$8.6 million; in 1989, \$9 million; and luckily for these in 1990, \$9 million. When the figures are in for 1991, there will be a further dramatic increase as a result of the \$10 million Tax Package recently introduced by the Government.

Also in the same document, The Report of the Accountant General for 1990, on page eight, Sources of Government Revenue, Table 3. I would direct the Speaker's attention to the first two items in this table, namely Duty on Goods which in 1989 amounted to \$37.2 million and in 1990 the figure rose to \$41.9 million. Taxes on Tourism in 1989, \$4.4 million and in 1990, \$5.3 million. These shocking rises pricked my interest and I decided to do a little mathematics myself. I calculated that of hotel bills received now, current, 25 per cent of that bill is Government tax. Twenty-five per cent of the bill is Government tax. Madam Speaker, it is time that we take stock. We are heading in the wrong direction.

Some time ago a colleague of mine from this Backbench, the First Elected Member for West Bay and I, brought a motion to this Honourable House which was accepted seeking for the Government to look into the diversification of our economy. Nothing has been done. We keep resorting to the traditional means and we are milking the old cow to death. One of these days when we go with the pail and we draw down, we will have to come back with it empty.

The Honourable Financial Secretary, in his Budget Address, which I will attempt to offer some comments on, has made that plain in more ways than one. On the very first page in the third paragraph, he reminds us:

"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."

Madam Speaker, if we are wise, it is time that we tried to reduce our dependency on this because we cannot continue at the rate that we are going. Indeed, I am arguing that the very things which have brought us success are now causing us ruin because we have become beguiled with the revenues and the monies which we were able, in past years, to get from the offering of financial services and from our country as a developing tourist resort. Indeed, it reminds me of the Icarus Paradox.

In the fable in the annals of Greek mythology, Icarus carved himself wings constructed of wax and feathers. He became so elated and flattered by his ingenuity that he decided that he was going to try to fly. He took off, and the ease with which he soared surprised even himself so that he called out to the spectators below, "Icarus has wings. Icarus can fly." He proceeded to soar higher and higher and higher until his close proximity to the sun melted the wax, caused the feathers to fall asunder and Icarus plunged

headlong into the ocean. The paradox, as it is applied to our country today, lays in this fact. Our strengths and successes have seduced an unwitting Elected Executive Council into these excesses which are ruining us.

We have been booming. So much so, that the Financial Secretary, in his Budget Speech, said 1990 showed a three percentage point increase in growth over 1989 in terms of employment. But do you know what is happening? Caymanians are now beginning to complain of competition from Filipinos and from all these other peoples. They are saying that in the hotel industry they cannot get jobs because the people from the Philippines are coming to work in the Cayman Islands for less wages and salaries than the Caymanians are.

Our traditional source of employment had been Jamaica and indeed, we still get many people from this area. But I also believe in what is called the "lifeboat ethic." The lifeboat Cayman is full. We cannot take on anymore because if we take on anymore, we are going to be swamped and I do not know how in the world anyone in their right mind can think that three little rocks, 100 square miles in area, can bail out the Philippines and all of those other countries who mismanage their economies. Have we a moral obligation to save the world, or must our moral obligation begin with saving Caymanians?

My mother is a great teacher and she always told me that charity begins at home, especially now in the time of a shrinking economy and a world recession that will not go away. We cannot afford to bring Filipino people in here to work for US\$3 an hour and cause our Caymanians who may work for \$6 to be laid off, and people who work for \$12 at straight time cause Caymanians to be displaced who would normally work overtime, anything beyond the eight hours. We are hurting and the people are complaining. But I am going to tell you the worst thing that they are saying is that they are not getting the support from the Member under whose Portfolio these complaints are lodged. That is the truth.

I have a letter right in my briefcase documenting a case at one of the establishments here and complaining. A Caymanian, a person with a family, being displaced and went to the Labour Board but the Labour Board could not help them because the Labour Board claims that they do not have the support that they need.

Where is this going to end? We can write that 1990 showed a three percentage point increase in growth over 1989 but that growth is not going to help our people and I am much afraid that all of this is going to make good people turn bad. If people honestly and diligently try to get work and cannot get it then when they resort to stealing I wonder how we can have the face to blame them?

Our statistics in growth must reflect that our people are occupied, that our people are employed, before we begin to recruit people or encourage anyone to recruit people from 3,000 miles away. I respect the fact that Caymanians cannot do everything by themselves and that once upon a time we emigrated in search of work. But I have to underscore this point because it is of tremendous importance, it is of fundamental importance.

We must build a Cayman that caters firstly to Caymanians before it attempts to cater to outside people. It does not matter how much the statistics show in terms of growth if we have Caymanians who cannot get employment at the hotels, if we have Caymanians who cannot get employment at the restaurants. This growth is not benefitting our people. It must change and I say it will change come 1992 when the present set of Backbenchers sit across where the Government sits. We will be bold enough to take the initiative. We will be bold enough to implement the policies of what I call "sensible nationalism" where Caymanians will get their fair share of the employment and the progress in this country.

Madam Speaker, on page seven of the Budget Address, reference is drawn to the external debt situation. You know, I am amazed at how Caymanians had the knack of being such good managers. We were so very parsimonious with our meagre resources and yet, we seemed able to accomplish a lot of things. Since 1988, when the present Elected Executive Council came to power it seems that each Member decided that he had a pet project which resulted in the gradual erosion of our sound financial position.

I am not going to take up the time of the House with any repetition because some of these matters were covered amply by my colleague, the Second Elected Member for Bodden Town, who preceded me. Suffice it to say however, that we in this country must realise that we have to cut our coats according to the cloth that we have. If we fail to heed the warning given so clearly by the Financial Secretary on page eight of this Budget Address, then we can blame no one but ourselves.

I am quoting from page eight, Madam Speaker: "it is imperative that we enforce a policy of greater convergence between growth in realized local revenue and recurrent expenditure. This will demand the investment of new, more realistic, and bold policy thinking, as well as a strong dose of economic logic and systematic planning in recurrent expenditure budgeting and spending." If what has been happening in the Government had been happening in a private business, the result would be bankruptcy. The result would be a company in liquidation. The result would be shareholders minus their money.

Fortunately for the Government they have the machinery where they can arbitrarily raise taxes and the support of one Member of this Backbench who seems committed to follow them, sometimes blindly, on their course. I hope they heed the warning, especially that section where the Financial Secretary states that if the marked divergence in growth trends between local revenue and actual recurrent expenditure continues, we will be headed in the wrong direction.

You know what escapes my understanding, Madam Speaker? All of these Members have good business experience and yet, they fail to transpose that, to apply that to the management of Government's affairs. Why is that so? Is it because they are incapable? It is because they do not care? Is it because they think they have a licence to do what they feel like? I am reminded that the Elected Government is the trustee of the people's resources and like all trustees they will have to give an account of their stewardship one of these days.

We on this side are not satisfied that we have been doing as well as we could do. We are not satisfied that the Government is as prudent as it should be. A few days ago when my colleague was speaking about mismanagement and waste one of them was pointing to the Honourable Financial Secretary. They cannot fool anyone but themselves. We know who is responsible for what. We on this side know that they have four votes to the Official Member's three, and four is greater than three. Even in the convoluted logic of the Elected Executive Council, four is greater than three. So the blame must lay squarely at their feet.

The mismanagement lies with them. The insidious spending, the waste, the dream projects originated from them. The desire to be carried away is solely on their part. Madam Speaker, the Budget and Estimates are a glaring example of a Government which has failed to prioritise, a Government which has failed to plan properly. I hope that nobody expects Roy Bodden to come up and sing praises where praises were not deserved.

I do not know what their excuse is going to be. I do not know if when I am through and I have sat down if they are going to be quick to jump up and defend their record or if they are going to resort to personal castigations and political one-upmanship. But what I do know is that their Budget is incomplete and disappointing and what I do know is that it shows an obvious lack of planning.

The Estimates, as far as they go, with projections into 1994, lead me to wonder who is going to be administering the projects that they have set down for 1994. Certainly if the information that I have is correct, they are going to be Backbenchers. If they are hoping that when we become the Government we continue these projects, I can only say, if they are worthy, they will be examined and if they fall within the realm of what we deem as important, then they will be considered. But the bottom line is that the Budget demonstrates a lack of financial prudence, a lack of financial management and a disregard for the people of this country, a disregard and an abnegation of the responsibilities for which they were put there to carry out. It cannot continue.

Madam Speaker, I would like to move on and to talk about the Development Policy Emphases in 1992 as referred by the Honourable Financial Secretary. I must say that the one development which is of concern to every single Caymanian is the move to build a new Hospital and to create a Health Authority.

Madam Speaker, this is topical on the lips of every Caymanian, not only because of the proposed \$16 million cost, but because of what I would describe, and I use the term advisedly, as a radical move to change the present health care system where it is incorporated as a part of the Civil Service into a Health Authority chaired and administered by the Member for Health.

It is a radical and disturbing move. It does not have the support of the people who are going to be working in the Service and in the areas, therefore, I contend that it will not be successful. Simple common logic. If people are discontented, if they are uneasy, if they labour under stress, how then can they perform efficiently? The Member should set his ego on the back burner and put the interests of the country on the front burner. There is a continuing debate between the Medical and Dental Association and the Member. The gap is widening. Somebody needs to be a little tactful and diplomatic. I contend that the doctors and the health professionals are the best people to dictate what should be done in terms of health care in the country.

While I agree that the Member has a certain responsibility and authority, that responsibility and authority falls short of giving him carte blanche to run roughshod over everyone who stands in his way. It is bad policy. Sometimes we have to use diplomacy and tact and above all, we must listen for it is in listening that we learn most. I am concerned. I would like to go on record as saying that we do not need a \$16 million hospital in this country. But I will not leave it at that. I will say what we need and why we need it.

Madam Speaker, from a sociological point of view, our citizens and residents of this country have never demonstrated an absolute faith in our medical services. Let me explain what I mean by saying that. Our economic position and geographic proximity to the United States allows us the opportunity and the liberty to run to the United States, sometimes in cases where we even have a buck toe so we do not need an elaborate hospital here because our people will have to be educated perhaps over a decade and compelled to use it.

What we need here is a good primary health facility and an excellent diagnostic centre because I am saying that people will continue to go to Miami. That is inbred now in the nature of Caymanian peoples. They will continue. It will take us years to establish that kind of faith and breed that kind of trust in them to the point where they will remain solely within this jurisdiction for certain kinds of medical care. Even allowing for the fact that we have excellent doctors here and in some areas excellent facilities, it is human nature. They feel more assured, they feel more contented and so they go. We are not going to stop that except we are going to change the system so that we deny them the opportunity, and heaven forbid that we go to that length. So if we are going to build a \$16 million hospital with the hope and expectation that Caymanians will use it to the extent that they pay for it, we are out in left field. It will never happen.

That is compounded by the fact that it is sited in a swamp and that the Health Authority is going to mean a radical transformation of health personnel against their wishes. All of these mitigate against this system working. I caution the Honourable Member that while I commend him for his ambition and vision and scope, he should wake up because it is no longer a dream, it is a nightmare. It would not be bad if he alone were involved in the nightmare but he is involving the country and the rest of us do not deserve that.

Madam Speaker, Agricultural Development. I believe, not I believe, I retract that. I am certain that some credit, some commendation must be given to the Member for Communications, Works and Agriculture for his obviously bold initiative. But if he cannot fix a road upon which is sited the largest farm in the country, I do not know how the rest of his policy is going to work. I would like him to tell me that when he gets up to speak. I have been waiting for that answer for some time now. This is again one of

those cases where we have misguided priorities, where we have indications of convoluted logic and where we have the cart before the horse.

The people deserve the best value from money spent. We can bring in all of the expertise available. We can co-opt all of the personnel we need but if the basic infrastructure is faulty the project will not work. A man has a \$500,000 farm and the road over which he has to haul his produce is inaccessible at times, it is a crying shame. It does not matter that the road is in my constituency or that I live on that road. Principle is principle. I am equipped to travel that road in the most adverse of conditions. Believe you me, it has not yet stopped Roy Bodden from coming to this Chamber when this Parliament is in Session because I will soon have to get a boat but believe you me, I will get that boat and I will travel down here to this Parliament. But I do not know how that man, who has \$500,000 invested, is going to get his bananas to the Farmers' Market if the road continues to deteriorate.

I am happy to see that we have now entered the era of manpower planning but I am disappointed to see that the Government, the Elected Executive, did not make more use of the recommendations in the Manpower Demand Survey.

This morning as I was preparing to come to this august House, I was reviewing some things, some business which had transpired in this Honourable House. I read the Budget Speech of a year ago as presented by the Honourable Financial Secretary and I re-read the Throne Speech as delivered by His Excellency February gone and I was reading some responses made mainly by my Backbench colleagues and comparing those responses with what the Government offered. I had to laugh and I had to wonder exactly what does the Government think of the Budget debate and the responses made by Members of the Backbench, if we want to differentiate it in that light, because I can see no sign that sage advice has fallen on fertile ground, that points made by the Backbenchers have been taken from year to year. The Government does exactly as it feels especially when it suits them. They will not even listen to the experts, in this case the Honourable Financial Secretary. So it is no wonder that we are in the quandary that we are in. It is no wonder that we are dancing on a glass ball.

I have not heard them mention the Manpower Demand Survey. I do not even know if they read it. Maybe they were intimidated by the volume of it. Maybe it did not concern them because it was not a consultant commissioned by them. But these are the things that we need to look about now because we are on the eve of the twenty-first century and Government must develop along sophisticated lines. Again, this Budget is a reflection of the ignorance of some things which the Elected Government should take into perspective. I am saying that if the Elected Government has not familiarised themselves with that Survey, they should before it is too late because our people need continued training and re-training.

We need to get across the notion that to continue to build this country along the lines that we have been going, before they took over that is, we need stable manpower. We need to promote the notion that there is dignity in labour and if some of us have to be bus boys and waiters as long as we work honestly, that is dignified labour. Maybe the Government does not want to do that because then they cannot pat themselves on the shoulder and ring their bells and say, "We have continued to grow by three per cent. So much so, that we have to bring people from the Philippines and bring people from Ireland."

In the meantime though check how many of our people are registered with the Labour Office as being out of work, or how many of them tell you that they applied for jobs but when they went the prospective employer told them, "We remember that ad, but that was just for Immigration purposes, or for Cayman Protection Board purposes, we already have the person that we were seeking." Are we being fooled? Are we being treated as fairly as we could be? It is bothering me. On just a short walk outside of these Chambers earlier, I crossed a taxi stand and a respected and experienced driver stopped me and told me that the taxi business is dead from competition by the big tour companies which this man said are not owned by Caymanians. He said, "First we had to move from the dock because the tour buses came and monopolised. Then we had to move from the airport and now we are at the little stand right out here on Albert Panton Street. Where will we have to move next?"

But, Madam Speaker, that was not even the striking point. The striking point in his tale was this. This was a middle-aged, well-dressed gentleman. "If we cannot make an honest living then when we turn to crime, do not blame us." While talking to him, I glanced at his vehicle. Clean inside and outside. A Caymanian complaining of being frozen out of the opportunity to earn a livelihood because of unfair competition which has gone unregulated. One, I am sure that had I remained there, there would have been others. It is not an isolated case.

Madam Speaker, it is time that we have a Moses. Our people have been in the wilderness. Now they want to see the promised land. We cannot continue to keep them in this wilderness. Numerous people have told me stories and ended up by saying their faith in elected politicians is shaken because they consider themselves betrayed. That is a serious indictment. A serious indictment which leads to the erosion of people's faith in the very representatives that they believed would help them. It is no wonder that in some circles politicians are contemptuously referred to.

Manpower Planning, a glaring absence. Even where it exists, it does not have the support that it should have because there is no one bold enough on the Elected Executive Council to take the bull by the horns and say, "Listen, I know that this is not right but I am demanding that it be put right." I continue to argue that there is room in this country for coexistence, there is room in this country for coexistence between Caymanians and those foreign nationals needed to man and administer and manage sensitive businesses and areas.

What there is no room for is for the pleas of Caymanians to continue to be ignored by their representatives and for them to lose faith in their representatives and to prejudice and develop a hatred against outsiders to the point where our social fabric breaks down. I am going to tell you what

kind of representative Cayman needs. I read a book called *Caribbean Connection*, written by an Robert Kodos, about an incident which happened in the Bahamas when Pindling had just come to power. The late Sir Milo Butler had to demonstrate that he wanted the Bahamian people to get their share of development in the Bahamas. He was not out of order. He was not vindictive. He was not abusive. He just went down to an institution, called out the manager and asked him why there were not more Bahamians working at the establishment. Not being satisfied with the answer, he cautioned the manager, "You are in the Bahamas. You must find Bahamians and employ them at this level because I know they are here."

Could it be that we need a Milo Butler? I would say so. But the Elected Executive does not want to do that because they think that they may ruffle some feathers. You do not need to ruffle feathers to get those messages across; we just need to be sensitive to the needs of our people. That is all that it takes, and then be responsible when we approach the persons upon whom the complaints are being made. That is all that it takes. But if we lock ourselves away from the people how then can we hear them? If we only see them on our way here and from here, how can we know what they are feeling? Maybe we should walk more and drive less or use less cellular telephones.

Do you think it is easy when someone drives a van and stays in a spot for four hours and does not make \$10? We do not know that, though, because we all live in air-conditioning out in the suburbs and when we pass we are on cellular telephones and we are only looking one way. A long time ago Norman Mailer had a famous expression. I cannot say what he said in this Honourable House because you would rule me out of Order, but he said a storm was coming. I cannot say what kind of storm he said but I am saying a storm is coming.

MADAM SPEAKER: Would you take an interruption at this time, Honourable Member?

MR. ROY BODDEN: Yes, Madam.

MADAM SPEAKER: The House will suspended until 2:15 p.m.

AT 1:05 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 2:19 P.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed. The First Elected Member for Bodden Town, continuation of debate on the Budget Address.

MR. ROY BODDEN: Thank you, Madam Speaker. When we took the lunch break I was making the point that better use needs to be made of the Manpower Demand Survey and the Elected Government needs to take into consideration proper manpower planning and training so that we can eliminate some of the more insidious forms of problems which are as a result of an almost total dependency on outside labour in some categories.

We need to arrive at the stage where we can make use of statistics which project for us the number of graduates from the Cayman Islands High School from year to year up to a point of five to 10 years hence and begin to incorporate these kinds of projections into the plans we make for training and educating Caymanian young people to take up posts in this country because it is a question of simple economics. The more people we bring in from outside to work in these Islands, the less foreign exchange remains within our Islands.

This brings me to the historical observation that trends in the Cayman Islands have now been reversed in the sense that some time ago, reaching a climax in the 1960s, when perhaps 1,000 able-bodied Caymanians seamen were employed at peak periods. What made us strong and opened us up was that these people sent remittances back to the Cayman Islands most often in US currency. That was where we had our genesis as a modern country.

Now however, the trends are reversed. Remittances are sent from the Cayman Islands to these various countries so that we have moved from a country which was a magnet for American money, foreign exchange, American currency to a force which is repelling that. It is fortunate for us that there are only 26,000 of us and that the buoyancy of the economy allows us total employment. The history of the Caribbean is where these countries get into problems when the US dollar, the foreign exchange, is being chased by an inordinate amount of local currency.

I contend that if the economy of the United States does not improve and current trends continue in the Cayman Islands as we have been experiencing them recently, we will be no different from Jamaica and Trinidad, and most recently Barbados in this regard. So that there is a need for the Government to plan the more accurate development of the manpower and human resources that we have so that we can shy away from this business of basing our policies on crisis management necessitated by the exigencies of the moment.

We had better try to inculcate into our people a sense of responsibility and the fact that it is not necessary nor desirable for each and everyone to be a white collar worker but that those who find themselves in the positions where they are entering professions or trades and skills which do not call for a university education is just as important in the cog of the wheel which develops the nation as those who seek to become doctors and lawyers.

But we have not been good at doing that to the point where

every student feels that he or she should be a lawyer, or a doctor, or some other white collar worker. That is noble and we are not to discourage that but if all Caymanians were lawyers, where would we all find employment? If all of us worked in offices, who would build the houses, who would maintain these houses? So the emphasis and the onus must be upon developing the human resources so that each will realise his potential and his level while at the same time recognising that his job is just as important as the other persons.

The Government needs to do more in this regard and I hope that it is one of the objectives of the Community College not to drift into a purely academic stream but to seek to develop the technical and vocational skills with which our society will need to have a dearth of if we are to continue to develop healthily and which we need dearly if we are to eliminate some of the dependency we have upon outside labour.

Before I leave this business of manpower and its corollary, I would like to draw the Honourable Chamber's attention to some information which was gleaned from questions asked previously in this House. Perhaps these would serve to strike home the urgency of this situation to the Government.

I would like to refer to a question which was asked to the Third Official Member by the Elected Member for East End, 12 June, 1990, concerning the number of work permits which had been issued in January, 1990. I crave your indulgence because I find this very revealing indeed. In Appendix B of that answer, Gainful Occupation Licences issued from 1st through 6th January, 1990 totalled 421 in a period of five days. Four hundred and twenty-one Gainful Occupation Licences issued. That is, to non-Caymanians in five days. This tells us something. What was also interesting, I looked down the list in Appendix A, the countries listed stretched from the United States of America down to Zimbabwe as countries from which people in our country held Gainful Occupation Licences, a total of 930.

I want to make reference to another question asked to the same Honourable Third Official Member by myself that is what new posts were introduced into the Civil Service over the past five years? What percentage of growth these posts represented and how many of these posts were filled by Caymanians? Madam Speaker, the number of new posts were 663, which represented a growth of 48 per cent. But the revealing part of the answer is the fact that of those 663 posts only 326, less than half, were filled by Caymanians. These statistics underscore the point which I made earlier that if we are to subscribe to the lifeboat ethic, our boat must first be filled with Caymanians before we take on anymore. We must first save Caymanians.

I crave your indulgence to mention one last thing. This has to do with the staff complement of the Computer Services Department which has a total staff complement of 46. Quite conspicuous at the beginning, the top four posts are occupied by non-Caymanians, indeed Caymanians occupy the bottom rung of the scale. There is a noticeable absence of Caymanians at the top. Now I am saying if this is happening within the Government, how then can the Government impress upon the private sector to employ Caymanians and to give Caymanians a fair chance? The Government must accept that it is their responsibility to set the example by promoting Caymanians.

One positive thing, as mentioned in the Honourable Financial Secretary's Budget debate, which could alleviate this is the implementation of the Formal Summer Internship Programme. I would hope that not only does the Government utilise this opportunity to employ returning university students but that the private sector should be so disposed and encouraged to employ these students as well. Not, as the Financial Secretary has outlined, in menial tasks such as mail collecting and running office errands but so that they can gain the necessary experience, however limited, over the summer which has a direct relationship to and bearing on what they plan to do when they return from university.

It is important that we implement programmes of this nature and that they be monitored carefully because if there is a danger in this sort of thing, it may be that some of these students are encouraged or dissuaded from completing their courses because of the apparent lucrateness and advantage that immediate employment brings. I think we will have to guard and watch carefully that this does not happen.

Madam Speaker, there is not much I can say concerning the rest of the speech that has not been said before but before I leave the speech, I want to make a few points which have to do with the Budget and the Government's raising of revenue by their \$10 million Tax Package.

Many years ago when he was the United States Ambassador to the United Nations, a man by the name of Adlai Stevenson coined a term which has since become popular called "the revolution of rising expectation." By that he meant that countries, especially countries in what have since become known as the Third World, are attracted to projects which are called "prestige projects." Not only are the countries and the governments attracted to these projects, but the citizens of these countries are also taken up with a certain life-style which often culminates in them living above their means as a result of a false economy. This relates back to the Icarus paradox. Because we have had it so well for so long we believe that just because we can fly is reason for us to fly higher and higher.

The Government, in introducing a budget of \$130 million, have some problems which have been caused by a number of factors. One, which the Honourable Financial Secretary outlined on page 20, has to do with a shortfall in total revenue mainly caused by an expected \$0.8 million in Stamp Duty collections. I do not want to begin, ladies and gentlemen, by saying we told them so. They would not heed.

The 1992 Budget, the Government proposes to transfer from our General Reserves \$3.5 million. This is the beginning of the erosion of our General Reserve Funds. It is the beginning of the economic doom of these Islands and I would like it recorded that this reason lays purely in the fact that the Elected Members of Executive Council have consistently failed in their management and administration of the financial affairs of this country and that for all of their expertise, they are incapable of doing better.

I am reminded that when the Backbenchers took a unified stand

some years ago, we were chided and told that we were single-entry bookkeepers. All that I have to say is that I will gladly be a single-entry bookkeeper any day with a record of financial management and financial prudence as is held by the Backbench than to be a proclaimed expert and lead the country down the path of economic doom. "Oh ye hard hearts of Rome, knew ye not Pompeii?" Oh ye hard hearts of ExCo, did ye not heed the Backbenchers? I wonder what they are going to say when they go from constituency to constituency campaigning, like they did with Cayman Airways? I wonder who they are going to try to label as single-entry bookkeepers? The proof is in the pudding and their pudding is falling flat. It is tasteless and the Caymanian people will have no more of it.

I have just received this little summary analysis for the first three quarters of 1991. It is the death knell of the Elected Executive Council. It is the death knell. On page one of this document, Quarterly Economic Indicator Bulletin, dated Third Quarter, September, 1991. Almost every significant item has declined. I will read under the title of External Trade in CI dollars, millions.

"Total Imports, excluding oil and liquor, down 3.4 per cent; Port Report, Port Calls down 7.5 per cent; Ship Hours Worked down 18.8 per cent; Cargo Landed in tonnes down 2.5 per cent; Containerised Cargo down 2.5 per cent; Cement Imported down 30.1 per cent; Vehicles Imported down 24 per cent; Cargo Origin, Tampa down 0.2 per cent, Costa Rica down 47.8 per cent; Total Cargo Tonnage decreased by 2.5 per cent; Revenue Collected from Duty down 0.4 per cent; Air Arrivals down 5 per cent."

Madam Speaker, it is a lesson in a diminishing economy and decreasing economics. The analysis reads:

"The economic statistics for the third quarter indicate that the economy is continuing to soften. Overall demand is down. Weak external demand is the major factor leading to the softening of the economy. The total value of imports is down 7 per cent for the first three quarters of this year compared to the same period last year. Cargo landed shows a similar decline."

What is the Elected Government doing? They have sought to raise taxes, to increase the levy on beer and wines and beverages that the tourists crave and desire when they visit us. They have sought to raise the levy on diesel fuel. I would like to go on record in the *Hansards* of this House as saying that when Caribbean Utilities Company announces their increase in January, that increase will be between 15 per cent and 17 per cent on our bills. I feel so confident that I will stick my neck out that far.

In the case of what I would call an average sized fishing boat, which has a capacity of 40 to 50 gallons of diesel, listen to how the story goes. Esso or Texaco will have to pass the increase on to the dealer or dealers, who will then have to pass that increase on to the fuel purchasers or boat owners, who will then have to pass that increase on to the charterer, or put it on the fish they catch which we will have to buy.

The Elected Executive Council is killing us. There is no escape from this economic strangulation with which they have saddled us. Look at what it has done. It has given the civil servants a five per cent increase but it has, with the other hand, taken it back. I suppose there will be those of them who will get up and tell them if it is retroactive that they should spend it again because of the multiplier effect. Let the single-entry bookkeepers tell them that if they get it and it is retroactive, they should seek to save it or to reinvest it.

Madam Speaker, we need a Moses to lead us across the river from the Pharaoh of the Executive Council. We cannot take anymore of their economic plagues. We have had it. The Moses must come from the Backbench because the people are crying out. Not only are the Caymanian people suffering now, but we are going to visit this suffering on the tourists.

Already people are complaining about our destination being expensive. Wait until they come at the beginning of this season and hear the price of liquor and cigarettes. Not to mention too that hotel rates must by nature go up because air-conditioning costs will be up, refrigeration costs will be up, cooking costs will be up. All of these are hinged on the electricity costs. We have gone into overkill. We are not going to survive long at this rate. Trying to look good. Trying to shore up what is left of their credibility. In this election year, the Elected Executive Council has decided to sacrifice the good ship Cayman. I hope when they go to get into the lifeboats that the bottoms could drop out of them and that they could forget how to swim.

How can they expect the rest of us to suffer for their folly? I say, as my colleague the First Elected Member for West Bay, shame on them. They should be ashamed to drive out of here at the end of this day. They should stay right here and direct you to ask His Excellency to accept their resignations because their record of stewardship is not good.

Madam Speaker, I would like to turn now to my constituency and some matters which are close to home. Earlier my colleague elaborated on the frustrations that we have been experiencing in getting projects done. He read a letter and made reference to another which we wrote. We are still trying. I will tell you how the Government operates and then it can be seen how we will never get anything done in the constituency of Bodden Town. You see they want to keep us out of the limelight because they do not wish when the House is prorogued for Roy Bodden and Haig Bodden to be in a good position because they fear what Bodden Town people can do and will do to their re-election chances.

Madam Speaker, there are six roads which we have requested, have been requesting from the time of the former representative, Mr. Franklin Smith. We had requested of the Honourable Member for Communications, Works and Agriculture that these roads be done. It does not cost a fortune to do them. We write and we re-write. We remind and we remind. The six roads are still not completed.

At last the Government has made an attempt to buy land for a launching ramp in central Bodden Town. But I have to caution my constituents not to dance in the streets yet because the purchasing of the land is but the first step and I am afraid that experience does not dictate that we should be overly optimistic. It may be like the motion brought by my present colleague and myself for the air-conditioning of the Civic Centre.

The Government accepted that motion and to this day nothing has been done. When we ask, some people would dare suggest that accepting the motion may have meant that they wanted to rid themselves of our being a nuisance, pestering them for this to be done. We get all kinds of excuses. It was too expensive, Government did not have the money at that time. All are chalked down to good intentions but nothing done because they want Roy Bodden and Haig Bodden to look bad into 1992, as they believe that will enhance their chances of getting us unseated. But we have confidence in the good people of Bodden Town and believe you me, it is not going to be so easy. We are going to try, and try, and try, and the gates of Hell will not stop us from asking and demanding that our constituents get what they deserve.

I will tell you what, if they do not get it now, they will get it in 1992 when the Government changes and the Executive Council and the Cabinet comes from the Backbench. I would like to mention too, the recent purchase of Pedro Castle and to say that this fulfills a wish and a desire, especially of the people in that vicinity. On their behalf we would like to commend the persons responsible and to say that it is our desire to see the property develop into something that not only the people of Savannah and Bodden Town can be proud of, but the people of the Cayman Islands as well. That it will be a park and an establishment that all of us can be proud of.

I am led to wonder what is the use of all of the district visits and of all of the visits that we are asked to accompany the Honourable Member for Communications and Works on because when we go out and we review projects, that is the end of it. It seems that that is an exercise whose only objective is to get people's faces on CITV and in the *Caymanian Compass*.

It is not intended to address any of the needs of the constituents because if it were, we would have had Cumber Avenue fixed, as has been requested by the citizens in that area, we would have had the six roads on that list brought up to standard, we would have had the problem which exists at the lower end of South Cayman Palms with regard to an acute corner which cannot be negotiated by a fire truck or emergency vehicles fixed and we would have long had the playfield and the launching ramp. Madam Speaker, we will not give up. We were sent here to represent the people and to lobby on their behalf. We will continue to do that. I would now challenge the Government to explain this incomplete Budget and to say what they are going to do about representing the people, about abnegating their responsibility, what they are going to do about betraying the trust that the people put in them, what they intend to do about all of the things that we on the Backbench have so often reminded them of and chided them for.

Thank you.

MADAM SPEAKER:

The Member for Health and Social Services.

HON. D. EZZARD MILLER:

Madam Speaker, I beg to offer my short contribution to the Budget debate and to offer my full and wholehearted support to the Budget which has been put forward by the Honourable Financial Secretary a few days ago.

Madam Speaker, I have listened to many speeches in this Assembly. I have been worried and concerned by some speeches I have heard from the Floor of this Honourable House but, Madam Speaker, I am most profoundly perturbed by the contribution of the last speaker. I wish to distance myself and our generation of politicians from the kind of, I believe he described it as, nationalistic positions taken by that speaker.

Madam Speaker, this country might need a Moses but what it does not need is one from the mold of Milo Butler, Lyndon Pindling and the Bay Street Boys. The people of this country know that the success of the Cayman Islands was certainly helped along and spurred by the rising of that kind of a Moses in the Bahamas.

I am concerned when young people are given such false hopes and aspirations by people who purport to represent them. This country is not perfect. None of us are perfect. But not of the young people in this country have opportunities that do not exist today anywhere else in this world. We have to be very careful that we do not throw out the baby with the bath water. If that is the kind of Moses this country needs, I hope he never comes forth but if he does, I am confident he will come, as they have claimed, from the Backbench and not from the present Government.

Now, it is amazing that Members can consistently rise in this Honourable House and separate the four Elected Members of Council from anything good in this country. Someone else is responsible for all for the good. I hope we can write that off with the fact that some of them, because others know how Executive Council operates, and that is the individual Members are charged with individual responsibilities and it is the duty of the person so charged to carry out the duties that go with those responsibilities. But on matters of policy and sometimes even in decisions in order to carry out those duties, decisions have to be made in Executive Council and all of those decisions are collective decisions.

Madam Speaker, let me say here and now that I support and I stand here to defend the Budget put forward by the Financial Secretary as Government policy. It is a good Budget. It addresses the things that need to be addressed in the country. It does not hide under fancy words what it does. It says so quite clearly. If there is a contribution to be drawn down from Reserves, it says that. It does not hide it under some words like "contribution to Revenue." The Budget Speech was quite straightforward, open and frank.

Now, some Members listen to the Budget Address, or they

should have listened to the Budget Address. Some Members, hopefully, have re-read the Budget Address but I find that, in some instances, hard to believe, listening to the two contributions that have been made so far. They made a big deal of the Government Tax Package in June last year and how it was going to dry up the funds in the economy and was going to destroy the country. Of course, they were the same individuals who touted, from the various political platforms, that we had to increase the Civil Servant Pay Package but they were not prepared to increase revenue to do so.

I just wonder what state the country's finances would have been in had it not been for the fortitude of the First Elected Member for Cayman Brac to vote for those Government measures because they all supported the increase to the Civil Service, as they are doing this time. They will no doubt get up and tout it when it suits them in whatever political forum they can get a few votes from to say that we should be doing it. But we should not be introducing revenue measures.

I am not an economist but the Economic Development Unit in Government and I quote from the Honourable Financial Secretary's Budget Address paragraph 4.1.3.

"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."

Now that is the same expenditure that the Backbench economists say was going to dry up all of the money in the country, was going to have an adverse effect. Here we have the experts telling us that it contributed \$58 million to the Gross Domestic Product through its multiplier effect.

Had we not increased the revenue measures, had we not taken the loan, the country could not have invested the money. You see, that is where we differ from them. They make a great deal out of statements made by the Financial Secretary that they try to capitalise on. The divergence of expenditure and revenue. But look at their track record. Every time the Government has come here with revenue measures to bring the two closer together, they have voted against it. Who has tried to perpetuate that divergence? Not the Government.

The Government is responsible enough to know that the Government can only give you what it raises in revenue and if you need to increase the expenditure you have to increase the revenue or you will get into trouble. But you see, the newly found political expedience of the Backbenchers does not allow that because that is not a popular decision. All of their decisions are based on popularity. They ask five people and they do whatever three of them say. If it changes the next day, they do whatever that three says. It does not concern the country. Not what is good for the country but what is good for their own political popularity. That is the measuring stick that they use on any decision that they make.

While we are talking about revenue, let us talk a little bit about what was tried here last Friday. There is a reason why a Budget Address and the Customs Law is written the way it is to allow the revenue measures to go in instantaneously. The motion is passed on the same day that the Honourable Financial Secretary announces them in his Budget Address.

There is a reason why Standing Orders, under which this Honourable House functions, allows it to happen and desires it to happen because if it did not work that way, think of the defrauding act that could be perpetrated against the country's Treasury. We are not in the sailing ship days where it took weeks to get a load of cigarettes or a load of liquor from United States or Jamaica. We are in the jet age. It takes less than hours to accomplish that fact. Just imagine what could have transpired over the week-end. With the liquor importers, the cigarette importers bringing in the DC-10s or the C-130s loaded with Christmas supplies of the items that are being taxed.

Even worse, as I understand how liquor is imported into Cayman, they do not pay the duty on the dock as you and I pay on our merchandise, they put it in a bonded warehouse and they pay the Government the duty when it is taken out and sold to the wholesalers or the retail person. So they did not even have to stop to go overseas. They are the people that get up and accuse the Government. Those same Backbenchers that do that kind of thing are the ones that get up here in their holistic way and accuse people like this Honourable Member and the Government of being 10 per centers.

Now graft is not only paid by individuals who want things done, it can also be paid to stop things from happening. I am not suggesting that was the reason why it was done but certainly had it been successful and this act was supported by those Backbenchers from whence the Moses shall cometh unto this land. They tell you revenue and expenditure are on divergent paths. The Government tried to correct it by increasing revenue measures because we agree that the Budget Address, as I will deal with in greater detail, addresses the control of expenditure and the growth of the Civil Service. The two Members who have spoken so far have lamented. They have used poetry, they have used Biblical quotes to chastise the Elected Government for increasing expenditure but in the same speech, every one of them has a shopping list that is worth millions, and millions, and millions of dollars.

A good example. Not budgeted for is the launching ramp in Bodden Town. The land alone is \$200,000-odd and they wanted it yesterday, not tomorrow. And they are talking about sticking out their necks? Madam Speaker, I will bet my dollars against their doughnuts that they are not going to vote for the revenue measures that are on the Table of this House to raise the \$250,000 to buy the land, or the \$80,000 to \$100,000 that will probably be needed to construct the ramp and the parking lot. And you heard their big list of roads. That expenditure created by the Backbench on their wish list cost the Government nothing. The only expenditure that cost money is what the Government brings forward in national budgets.

This Government uses consultants. We are not ashamed of that.

We have the product from the use of those consultants and we do not put it on the shelf. They are the experts in everything though, you know. They are the experts on hospitals. They are the experts on airlines. They are the experts in finance, they are the experts in economics. When they get in Government they are not going to use consultants. They have the answer for every problem this country faces and they do not need to consult anybody, local or foreign.

Madam Speaker, you know, getting back to their attempt to stop the introduction of the revenue measures, that was a totally unnecessary act. If they wanted to take a responsible opposition to the revenue measures, the time to do that is when the Bill is put on the Table of this House and moved by the Honourable Financial Secretary during the debate and then they can vote against it, which they are probably going to do.

SOME MEMBERS:

Hear, hear!

HON. D. EZZARD MILLER

But again, they expect the Honourable Financial Secretary to work wonders. He must balance the Budget. He must provide the money for anything that they want done at the local level for their votes. He must not fund any national projects which benefit everyone because their projects do not cost anything. That has no effect on the divergence of revenue and expenditure.

Madam Speaker, this Government tries to operate in a responsible way. We look at the problems faced by the country and we come up with responsible solutions. They have voted in block against everything the Government has tried to do on a national level in this country. They have made various attempts to overthrow the Government, moving motions for Constitutional change to remove the two-thirds majority because they had seven votes and they could not get the eighth one so they could take us out of power....

MR. W. McKEEVA BUSH:

Stick to the Budget.

HON. D. EZZARD MILLER:

They are jumping up and down on every platform and they wait until the Elected Members are off Island and try to perform Banana Republic takeover acts on them and the people know who I am talking about. If they did not know, they now know because you identified yourself.

Madam Speaker, we know that you have to raise revenue in the country and we are prepared to do it. That is the responsible thing to do. But you know, it really is a disservice to the Honourable Financial Secretary and his departments within the Government when people take the Budget Address and take particular paragraphs out of it and read one sentence and not read what action is being taken by the Honourable Financial Secretary to correct it.

We heard them quote... and I will quote from paragraph 4.2.0. of the Speech. This is what the Honourable Financial Secretary said:

"Madam Speaker, I have just presented a brief review of the performance of public finances for the period 1986-1990 based on analysis that we have done. While I have identified and outlined areas of strengths, I have also identified and outlined areas of weakness."

Notice, Madam Speaker, so far the Backbench - and understand, Madam Speaker, that they speak collectively, so expect those who come in after to use the same tactic because they were satisfied that if nobody else spoke, their side of the story had been told. Now they identified the weaknesses and they did not blame the Financial Secretary's Department, they blamed the four Elected Members of Executive Council. These are not policy matters. These things are the day to day management of the Honourable Financial Secretary's Department. Why not be decent and give the gentlemen the accolades he deserves for the strengths that he mentioned? Why only pick out the weaknesses?

It is even worse than that. I continue the quotation from the same paragraph. This is the section that they made great hay out of. He goes on to say:

"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."

They stopped there and they spoke for hours on it. The very next sentence the Honourable Financial says:

"I now turn toward the institutional actions we have so far implemented, particularly for the preparation of the 1991-1992 Budget."

They never heard that in his Speech. They did not see it when they re-read it and they never heard the several paragraphs that follow which detail the actions taken. As a result of that concern expressed, he did not leave it there. This is not action to be taken. This is action that has been taken for the preparation of the 1991-1992 Budget. What unfairness.

Let us look at some of the actions that have been taken. Goals of Fiscal Management, paragraph 4.2.1., and I quote: "Our on-going goal is to improve the overall efficiency and effectiveness of public spending.". Madam Speaker, that is being done!

"Madam Speaker, efficiency and effectiveness in public spending is not something we can will, to make it happen, and neither merely talking about it can accomplish it. Rather, the goal of efficiency and effectiveness in public spending is something we have to continuously work at to accomplish. Our short to medium-term goals are to (a) halt and stabilize the trend towards greater imbalance between realized local revenue and budgeted expenditures before this divergent trend put us on a path towards fiscal instability."

Not that it has put us on that path yet, Madam Speaker, but before it does. And this Government has the fortitude in spite of the seven Backbenchers to support him in increasing revenue through necessary revenue measures, to arrest that trend. But what are they going to do? They expect him to arrest the trend and they are going to vote against his revenue measures to arrest the trend. But at the same time that they are not giving him any revenue to work with, they have a shopping list of millions and millions of dollars that they want filled.

The Financial Secretary goes on and I continue the quotation:

"Attainment of this goal will continue to require that steps be taken from time to time to achieve a sustained convergence between public expenditure planning and budgeting at the level of all account centers in Government;"

Madam Speaker, the Government is doing something about it. What the Honourable Financial Secretary and the Government needs is responsible support from them to achieve that goal.

"and (b) to reduce the net transfer of financial resources to external creditors. Attainment of this second goal will continue to require that realistic institutional steps be taken from time to time to prevent the emergence of excessive external debt obligations."

The Government is not sitting on its laurels and letting expenditure run wild and forgetting about revenue. The Government is controlling expenditure. The Budget deals with many, many aspects to control growth in the Civil Service, to control growth in expenditure. But what are they doing? They are getting up here, giving the young people of this country these false aspirations that they must get in a life boat with them and they must not import anymore labour and we must not allow any other foreigners to come here because the Moses is coming from amongst them of the Milo Butler and the Lyndon Pindling mold.

Madam Speaker, the Financial Secretary goes on to list other areas that he has endeavoured to put in place to try and control any divergence between revenue and expenditure. Improvements in Budgeted Expenditure Management. None of this has been mentioned, or is it likely to be mentioned by the Backbenchers in their debate.

The second paragraph of paragraph 4.2.2., the Honourable Financial Secretary goes on to say:

"balance, from one year to the next, given the observed trend in realized local revenue.

For this reason, Madam Speaker, I am proposing a more all-embracing concept of fiscal prudence which I have exhorted all account centers to endeavor to abide by in the management of their budgetary allocations. 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."

They never heard any of that, Madam Speaker. All that they heard was that revenue and expenditure are on divergent paths. There are at least another dozen paragraphs in this Speech that deal with things that the Honourable Financial Secretary, with the support of the Government when policy decision is necessary, has put in place to try and arrest any divergent trends.

They need to read that paragraph that I just quoted from about acting in like circumstances.

Madam Speaker, the Financial Secretary explained the introduction of Budget Preparation Guidelines. Certainly no one can argue that the way the Budget is presented this time is not in a more informative, readable way than it was in the past. It is a vastly improved document and credit should be given for that. He even tells them now, in case they did not know, whether a project is new, is continuing, or is mixed. All of this is in his Speech.

The only thing that the Second Elected Member for Boddan Town heard was divergent revenue and expenditure trends. He has introduced the Public Sector Investment Committee (PSIC).

"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."

All are attempts to improve the situation. They chided about his

External Public Debt Management. They told him that what we need to be concerned about is creating no debt then we would not have to manage it, so we should not have to worry about this kind of thing. He dealt with the Development Policy Emphases in Fiscal 1992 and then you hear them getting up and saying in one breath that the Government is doing no planning. Then, in the second breath "What kind of Government is this, planning for 1993 when they are not going to be around?"

Madam Speaker, they have yet to prove that they can get here. They are not going to get here by standing up and pounding themselves in the chest and hollering over the microphone that we must resign so they can walk across the aisle. That is not going to happen! They have to go out in November, 1992 and convince the public that they deserve the majority to form the Government. That is left to be accomplished.

If you look at the track record in this Honourable House, they speak of the four Elected Members not doing anything, others they criticise because they are doing too much. But you know, I have one job. That is the one the people elected me to do. I am not collecting my \$50,000 or \$60,000 to do this job plus another job in the private sector all the waking hours, working eight hours a day in. When they talk about giving stewardship. They have to give stewardship in November, 1992, too, you know. I am not afraid to stand the test but they will also have to stand the test and say what they will do and what they have done.

Their track record of five or six attempts to overthrow the Government is not something to be proud of to the people of this country. They are confident that they have the majority of the public supporting them. I do not share that confidence with them. Getting up in here and criticising the Government and bragging that they have tried to overthrow it does not sound good for the future of this country.

Madam Speaker, the Second Elected Member for Bodden Town, with all that he has chastised the Government of not doing, will have to stand on his record just as I do. He might believe that he can intimidate people into not running in Bodden Town but I do not have a cross to bear for the Bodden Town people, they will do what they want. I promise him if he comes to North Side he will get opposition. They can send as many as they like. They have one poor fellow here whom they told could resign and the Governor would take it back the next day. They have him out on one farm up in the bush in the hot sun and they are still collecting their \$5,000 per month. But they told him, "Do not worry, Frankie, hand it in. Hand it in, Frankie, we will get it for you tomorrow." The next day they had their...

MR. W. McKEEVA BUSH: ...Why do you not tell the truth?

HON. D. EZZARD MILLER: ...lawyer come down here and go into the Speaker's Room (the Governor's room at the time) and tried to get his job back for him. But they knew that when they were doing it, that it was effective the minute the Governor received it and he could not take it back.

MR. W. McKEEVA BUSH: Madam Speaker...

HON. D. EZZARD MILLER: Now they are telling him that they are going to send him to North Side to take my seat. I welcome the opposition.

MR. W. McKEEVA BUSH: Madam Speaker, the Member is misleading the House...

HON. D. EZZARD MILLER: He could not take the pressure in Bodden Town when he had help. I want to see him take the pressure in North Side where we does not have any help.
(Addressing member across the floor) I know how good he is. I grew up with him. You are the people that abused him, not me.

MR. W. McKEEVA BUSH: You have done him worse than anybody else. You cannot even tell the truth.

MADAM SPEAKER: Honourable Member, would take a suspension of the House at this time?

HON. D. EZZARD MILLER: Yes, Madam.

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

AT 3:44 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 4:09 P.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed, but before we continue I would just like to draw Member's attention to Standing Order 32(1), the last sentence which says "No Member shall speak unless so called upon."

I would ask Members to bear this in mind. When a Member is speaking if there is a Point of Order, Members know very well how this is presented and I would ask Members to be on their best decorum during sittings of the House when a Member is on his feet.

The continuation of the debate on the Budget Address by the

Honourable Member for Health and Social Services.

HON. D. EZZARD MILLER:

Thank you, Madam Speaker. When we took the break I was about to start to deal with the Development Policy Emphases in Fiscal 1992. Madam Speaker, I would like to leave the debate in this section as it pertains specifically to my Portfolio for later on in the speech and to deal more generally at this time with the other aspects such as the Manpower Development and other areas of the Speech. I will come back to the specific Development Policies as related to my Portfolio responsibilities for fiscal year 1992.

Madam Speaker, the First Elected Member for Bodden Town criticised the Government very heavily on its not implementing the Manpower Survey and asking the question as to whether we have read the Report. Now the Financial Secretary was very clear and explicit in this Speech as regards to that particular item. I would just like to inform that Member that, unlike him, which he has demonstrated on several occasions in this Honourable House, I read the reports which are produced by the Government and paid for by the Government when they are given to be read.

Even as late as this morning, it was evidenced that he had not read a report that I gave him, tabled in this Honourable House in February, 1990, almost two years ago. Some of the questions asked, the information is contained in that Report. So, the \$60,000+ that I get per year not only asks me to read the reports but I have a fair slice of duties and responsibilities to perform on a daily basis as an Executive Member of Government. I hope that at least that Member will take the time to read the reports.

Madam Speaker, the Financial Secretary in paragraph 5.2.0. said and I quote:

"Madam Speaker, it is a long-held and universally-accepted fact that the inadequacies of the available pool of trained local manpower is a major constraint on stable upward growth in the economy. Over the years, we have been able to partially address this constraint through a policy of importing labor from various overseas countries."

So there is no great revelation when he reads statistics from Government that indicates that labour has been imported from several different countries. That is the only way this country could possibly have developed at the rate at which it developed.

"While the economy will continue to depend largely on overseas labor for continued growth for some time to come, depending primarily on a policy of importing overseas labor to deal with the economy's growth needs for trained manpower, is not an entirely satisfactory development solution to the economy's long-term needs for trained manpower, nor is such dependence an entirely satisfactory approach to the demand for strong growth with a minimum amount of inflationary, demographic and environmental risks."

The Honourable Financial Secretary goes on in paragraph 5.2.2. to say:

"Therefore, Madam Speaker, in my mind, what appears to be the imperative before us -- as late as it may seem -- is a comprehensive, integrated, systematic or planned approach to local manpower training and development in the Cayman Islands. In this regard, the 1990 Manpower Demand Survey Report which Government has accepted provides the information basis for developing and implementing such a comprehensive, integrated and systematic approach to local manpower training and development in the Cayman Islands."

Quite clearly, that paragraph says that the Government has accepted the Report and is implementing it. But we can only work with the resources that we have. We have not found a computer yet that generates Caymanians to send them off to train them.

The Financial Secretary goes on: "In furtherance of this approach, Madam Speaker, and following the recommendations in the Manpower Demand Survey Report, all of which Government has accepted," and Madam Speaker, I am quoting from the Speech delivered by the Honourable Financial Secretary last Friday. I repeat: "recommendations in the Manpower Demand Survey Report, all of which Government has accepted, the Government has already taken the initial steps to set up a manpower planning section within the Portfolio of Finance and Development to begin implementing some of the financially less difficult recommendations put forward in the Report."

The Government has not taken the Report, accepted it and put it on the shelf. The Government is implementing the recommendations of the Report. "The Manpower Planning Section will be located specifically within the Economic Development Unit, and will be initially staffed by two trained Caymanians, one of whom has just completed (and returned from) advanced training in Manpower Planning at the University of Manchester in England." Not just talk, Madam Speaker, but specific definitive action to improve the manpower development in the country.

Continuing to quote: "Although the precise details of the policies and programs together with their implementation are yet to be worked out with all parties with an interest in manpower training, the initial thrusts and corresponding approaches will closely follow those recommended in the Report. One of the more critical approaches recommended is a Labor Market Information System which will be designed to collect, analyze and disseminate quantitative and qualitative information on current developments and trends on labor demand, as well as on those factors that are root causes of labor supply imbalances in the different

sectors and occupations in the economy." Again, Madam Speaker, definitive action. Not taking a letter from some constituent member and instead of trying to get the man help bringing it to Parliament to chastise the Member responsible for not doing his job and make the unemployed person believe that there is some political reason why he does not have a job. That does not help.

The Second Elected Member for Bodden Town said we should not build a new Hospital, we should train doctors. That is the philosophy that got us into trouble now. In the 1970s we trained doctors. Did they come back to Cayman to work? No! You cannot attract young, intelligent, ambitious, Caymanians to go off and spend 10 or 12 years in school to become a specialised physician to come back to work in that kind of environment, with that kind of limited equipment. There will continue to be accountants and lawyers, which takes three years in University, and the other time they will have spent, they will be a partner in the firm, making \$200,000 or \$300,000 a year as opposed to paying them \$30,000 or \$40,000.

We are trying to bring in innovations in management to up the levels of the facilities available, the levels of equipment available and the remuneration of the individuals. And what do they say? We should not build it. Madam Speaker, it is typical of them, six months ago they were getting up here stomping and hollering. The Member for Education will not bring the Education Plan. The Member for Education will not table the Report. The Member for Education must bring the Plan. The Member for Education must table the Report.

He tabled it. They got up and talked about how wonderful it was. They went to a PTA meeting a couple of nights ago and they heard a few questions asked and they figured, "Well, that was like the sanitary landfill issue. Right. We can get a few votes here now. All that I have to do is to oppose this Education Plan of Benson's now. Right?" So they told the people that they did not support the Plan. Now we have a Private Member's Motion to delay the bringing forward of the implementation of the Plan. They want all of these things done in a hurry, then when you do them they put every stumbling block that they can find in your way and they tell the public that the Government is not doing anything and they are holding it up.

Now they talk about us trying to get the First Elected Member's vote for Cayman Brac. Madam Speaker, whatever I have to bring forward, I inform that Member, mostly the same way I inform every other Member, with a copy of what is being brought forward. If I invite them to meetings to come to discuss it, they meet you on the side of the road and tell you, boy, they would have liked to have come but they could not collectively decide what was the best time they could come. They had to get a collective position on this thing because they cannot come individually and think for themselves, they have to meet and get a collective decision.

MR. W. McKEEVA BUSH:

Who told you this?

HON. D. EZZARD MILLER:

You control your group. You go and find out.

MR. W. McKEEVA BUSH:

You should say.

HON. D. EZZARD MILLER:

Then they tell you they did not have a chance to give input. It is true. Your good buddy that tells you everything, ask him...

MADAM SPEAKER:

...Please, do not talk across the Floor, Honourable Members.

HON. D. EZZARD MILLER:

I apologise, Madam Speaker. But I am just making the point that when it suits them to chastise someone for not bringing something forward, they do it. Then, when it is brought, if they think it suits them, the public opinion, to oppose it, not whether it is good or bad because they have all said one way or another that the Education Report was good.

Now the Government has not stopped there with the manpower development of the needs of the country. The Honourable Financial Secretary in paragraph 5.2.6. went on to give details of a Formal Summer Internship Program which can only help the Caymanian students who are trying to better themselves through higher education when it is finally put in place.

We heard no mention of that by the First Elected Member for Bodden Town in his chastisement of the Government for not reading the Manpower Survey. He mentioned it briefly in passing later on. But not when he was telling us that we had not read the Report. That is the kind of programme that is going to assist Caymanians in being better educated and being able to come forward and take their rightful place in the development of this country. I am not promising them a Moses.

Madam Speaker, they talked and made a big deal about the growth in the Civil Service. Again, they have ignored the Financial Secretary's Speech where he details what is being done by the Government to try and control the growth of the Civil Service. You know, Madam Speaker, when Members are criticising the growth in the Civil Service and they are using a straight numerical analysis, that does not give entirely the correct picture. That would be correct if new services were not being introduced within the Government.

If we were simply adding more bodies to do the same services that less bodies were doing the year before. But when the growth in the Civil Service contributes to the introduction of new and needed services, such as Cayman Counselling Centre; such as the Internal Audit Unit in Treasury; such as the Organisation and Management Unit within the Personnel Services Department; such as the Economic Development Unit. The proof of their contribution is evidenced in the new format of the Budget and the statistics which now can be included because you have things like an Economic Development Unit.

Madam Speaker, what are we supposed to do? Deny the public

these services which in many areas are very much needed because we do not have qualified Caymanians to fill them. The numerical statistics say that almost 50 per cent of the new people added were expatriates. If you probably did an analysis, most of them have skills that are not available locally. But it is a service which is needed.

The Honourable Financial Secretary, under paragraph 5.3., dealt with the Civil Service Employment Performance and how the Government is going to deal with that issue. I quote from paragraph 5.3.1.

"I believe that most civil servants make maximum effort to give the best performance they are capable of within their own personal limitations and within the constraints of the particular environment within which they work. But I also believe that in the same way that improvement in the overall efficiency and effectiveness of public spending is a strategic policy priority, civil service employment performance must also be considered a strategic policy priority; both go hand in hand for obvious reasons. One is that you can't improve overall efficiency and effectiveness in public spending, without also improving civil service employment performance. Performance efficiency and effectiveness of public spending, are directly related to civil service employment performance."

A very balanced Report, Madam Speaker. No Government has done more for the Civil Service than the present Government.

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

MADAM SPEAKER:

The time is now 4:30 p.m.

ADJOURNMENT

HON. THOMAS C. JEFFERSON:

Madam Speaker it gives me great pleasure to move the adjournment of this Honourable House until 10:00 o'clock tomorrow morning.

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 4:30 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., FRIDAY, 22ND NOVEMBER, 1991.

**FRIDAY,
22ND NOVEMBER, 1991
10:06 A.M.**

MADAM SPEAKER:
and Agriculture.

Prayers by the Honourable Member for Communications, Works

PRAYERS

HON. LINFORD A. PIERSON:

Let us Pray.

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

Bless our Sovereign Lady Queen Elizabeth 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. Questions to Honourable Members. Question No. 250, the Elected Member for East End.

QUESTIONS TO HONOURABLE MEMBERS

THE ELECTED MEMBER FOR EAST END TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES

NO. 250: Would the Honourable Member say: (a) whether there is an up-to-date list of needy persons for East End; and (b) what measures are taken when various persons are recommended for urgent help and/or housing?

ANSWER: (a) The Social Services Department does not keep lists of needy persons in any of the districts.

(b) According to the Social Services Department, when referrals are received requesting urgent help and/or housing, an intake is written up. Intake is a process of obtaining all pertinent identifying information on the client, as well as what the needs are. A social worker is assigned to follow up on this case. Home visits are made and discussions held with individuals concerned and/or extended family as needed.

Where need is verified, assistance is provided. This assistance may be a straight financial assistance from Government or could encompass a social worker pulling together persons or organisations within the community to help resolve the particular issue.

The specific issue of housing is not always as quickly handled as say medical care or financial assistance which can be done virtually immediately. The issue here is that there is a list of persons needing assistance in this area that assistance cannot always be immediate. Some hold-ups with housing assistance could centre around getting permission to improve property with the condition that the person (usually elderly) can remain there for the rest of their life. The reality of the situation is that there is always a waiting list for improvements to housing. The active support of community organisations and the community at large is always welcome in providing labour and skills necessary for housing assistance to needy individuals and families.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementary, the Member for East End.

MR. JOHN B. McLEAN: Thank you, Madam Speaker. Madam Speaker, I would like to thank the Member for his explanation and I have a few supplementaries. Could the Member say how long it takes to complete what is referred to as intake?

HON. D. EZZARD MILLER: No, Madam Speaker, I could not give a specific time. I should not think it would take longer than a half hour or an hour. It depends on whether the information is available to the Social Worker within the office when the referral is made, or whether the Social Worker has to go out to the district to visit other family members to get information. It is difficult to say. I really do not have the answer.

MADAM SPEAKER: The Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, a further supplementary. I wonder if the Member could say what steps would be taken by the Social Services Department when an individual is referred by a Member of the Legislative Assembly? In this case, myself, who owns the property on which a house needs to be built and at the same time as Service Club has given a commitment that they would be ready to help with the house, if the Social Services Department partakes.

HON. D. EZZARD MILLER: Madam Speaker, I would hope that the Social Services Department would treat it as any other referral and certainly in a case where the Member, as he has said, owns the property, is prepared to give the necessary permission, prepared to organise Service Clubs to help, I would hope that funds permitting the assistance which in that kind of a situation they would normally assist in the purchasing of the material required if the Service Clubs are going to do the labour. Unless the funds are exhausted, I really cannot give you a good reason why they could not do it immediately.

MADAM SPEAKER: The Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I was hoping that we would have had somebody here from the Social Services Department because I have many other supplementaries but it is not use of me asking the Member further because I am not really getting anywhere. Finally, I wonder if the Member would undertake to investigate a case which I have reported to Social Services Department and have been trying to work with them on for the last three years and the name of the individual is Miss Lillinet Connor, who now needs to be placed in a home where she can be cared for properly.

HON. D. EZZARD MILLER: Madam Speaker, the Member and I have had several discussions on that individual. The Principle Secretary and the Portfolio have asked the Department to deal with it. I think first they were out of funds, secondly, is that the family does not want to move her.

MADAM SPEAKER: The Second Elected Member for Bodden Town.

MR. G. HAIG BODDEN: Madam Speaker, may I ask the Member if any attempt is made to use a Social Service worker that is familiar with the district to investigate the needy cases or do they send some stranger from some foreign land?

HON. D. EZZARD MILLER: Madam Speaker, with some difficulty the Portfolio has managed to get the Social Services Department to assign certain Social Workers to different districts. Although in many instances the people with the skills are expatriates, in theory it should not take very long for them with doing a review of the records in the Social Services Department and in talking to citizens in the district to become familiar with the problems of a district. I hope that this will improve the situation of the Social Workers having direct and first-hand knowledge of what is needed and what is going on in the districts.

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I took note of what the Member said about the family wanting to move. Is the Member aware that the last request made by myself on behalf of this poor lady was made by her niece who has asked that she be placed in a home?

HON. D. EZZARD MILLER: I really cannot say that I am aware of the last because the Member has made so many representations in this case and that so many times the request is the same request but he has in fact told me and I take his word that he has told the Social Services that the family would move. All I can do is to ask my Principle Secretary to try and get to the bottom of it and if there is an agreement to get some help for the lady, to either put her in the Sunrise Cottage in East End, if there is room, or in the Pines in George Town.

MADAM SPEAKER: Two more questions will be allowed by the Second Elected Member for Cayman Brac and the third by the Third Elected Member for George Town. We do not want to get

bogged down in a particular case which can be arranged with the Member, eventually.

MR. GILBERT A. McLEAN: Thank you, Madam Speaker. I would just like to ask the Member if he could say why the Social Services Department does not keep lists by districts, taking into account that from a statistical point of view it might be a worthwhile thing to do?

HON. D. EZZARD MILLER: Madam Speaker, record keeping and particularly statistics is one of the things we are trying to improve within the Social Services Department. If the Member remembers from the answer we were told first there was not any list maintained and then we were told that the list was long. They were really two different lists, one about needs and one about specific housing.

Maybe for Member's information and particularly on housing. During 1989, the Social Services Department had 31 referrals; 24 were completed at a cost of \$145,328.53, one referral was refused and one was referred to be dealt with by the Environmental Health Department. In 1990, 45 referrals were received, five were brought forward from the previous year, 26 were completed at a cost of \$147,876.21. In 1991, 20 referrals were received, 14 brought forward from the previous year, 19 projects were completed at the cost of \$77,067.87.

MADAM SPEAKER: Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Would the Honourable Member state where in the list of priority stands the assistance that we have been speaking about here in Government's priorities? How can he run out of money on this type of necessary assistance and if he was short, why did he not vire it from the consultancies or somewhere else that money is being spent which is of less priority?

HON. D. EZZARD MILLER: I think that was about three or four questions and in the future, Madam Speaker, this particular Member would appreciate if one question was asked at a time because I like to try to answer all questions. The first one as to the priority, it is very near the top of the list. Secondly, in terms of budget, it is very difficult to budget accurately what these kind of needs are going to be as the year goes by and thirdly, that specific action was taken, as the Member is aware. I am not sure whether he voted for it but it was brought to Finance Committee a couple of weeks ago to move funds within the department to provide for some of these areas.

MADAM SPEAKER: The next question is No. 251 standing in the name of the Elected Member for East End,

THE ELECTED MEMBER FOR EAST END TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS, WORKS AND AGRICULTURE

NO. 251: Would the Honourable Member state what progress has been made with regards to making potable piped water available to the district of East End?

ANSWER: The Water Authority is presently busy extending its piped water supply from Spotts, Newlands, east to Pease Bay. This project is expected to take approximately two and a half years. At this time it is therefore very difficult, both physically and financially, to take on the additional commitment of providing a piped supply to East End. However, the Water Authority's ten year development plan does include a piped water supply for East End and, accordingly, the design and preparation of this work will be carried out so that the provision of the supply might commence as soon as possible after the completion of the present water supply extension to Pease Bay.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementary, the Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I wonder if the Member could say if any studies at all have been done on placing pipe water to the district of East End?

HON. LINFORD A. PIERSON: Madam Speaker, as far back as 1985, at which time East End would have been the first district to have been provided with piped water, the Water Authority carried out a study and constructed the existing well field and reservoir. The intention was that this source of water would be piped to Old Isaacs as a preliminary system. This proposal at the time was turned down by the Government of the day in favour of the Community Centre or the Civic Centre.

MADAM SPEAKER: Supplementary, the Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, is the Member saying that a past Government used funds to complete the Civic Centre in East End, that were provided for piped water to the district?

HON. LINFORD A. PIERSON: My understanding is that specific funds were not provided for the piped water system, but it was regarded that the Civic Centre, which was with the concurrence of the Member for East End, was a priority at the time.

MADAM SPEAKER: The Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I wonder if the Member could state the exact date that this decision was taken by the Member from East End?

HON. LINFORD A. PIERSON: Madam Speaker, the information I am giving as regards this, is understandably from information I am receiving because I was not the Member responsible at the time. But it is my understanding that the Water Authority put forward the proposal that East End would have been the first district to have been provided with piped water and that it was the intention also that this should be piped to Old Isaacs in East End and that the Civic Centre in East End was given priority over this project. I am not sure what time or date that was but I can provide as much information as possible on this to the Member for East End.

MADAM SPEAKER: The Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I must say I am hearing something here today for the first time. At no time, and I will be coming to my supplementary, I wonder if the Member could say why this answer has not been given to me on previous occasions when I have questioned the reason why piped water was not put to my district?

HON. LINFORD A. PIERSON: Madam Speaker, I cannot give the reason for any form of amnesia in this House. I did not give any details on this as I would have thought that if the Member was involved in that decision he would have known about it, but if he is categorically telling the House that he had no indication that priority was given to the Civic Centre in favour of that project, I will certainly have this matter more fully investigated. And I will inform in due course about it.

MADAM SPEAKER: Well, I am sure the House would appreciate any details that you have that it will be given in writing to complete the matter.
The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Would the Honourable Member say whether the reservoir of underground water in East End is one of the largest in the Islands and whether it does not make economic sense to attempt to use it into the piped system that is of the Cayman Water Company that is now being done?

HON. LINFORD A. PIERSON: Madam Speaker, this all costs a lot of money and we are constantly reminded of Government being frugal but at the same time spending a lot of money. At the time that this was considered in 1985, it would have been, as I said, a preliminary project and it would have been the first district. It was not intended at the time to have used the water lenses in East End to supply all the districts within Grand Cayman. I am sure the Member is also aware of the water supply capacities at this point in time that we are in fact supplying the other districts with water.

MADAM SPEAKER: The next question is No. 252 standing in the name of the Third Elected Member for George Town.

THE THIRD ELECTED MEMBER FOR GEORGE TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES

NO. 252: Would the Honourable Member say; (a) whether the Authority or Department responsible for sewage and the Public Health Department regard the stench as conducive to good health; and (b) whether the steps being taken to remedy this long standing situation are regarded as sufficient by the Public Health Department?

ANSWER: (a) Offensive odors are normally not injurious to public health but could detract from the complete enjoyment of our environment.
(b) The Water and Sewage Authority recently carried out concrete rehabilitation work on the sewerage stations on West Bay Road and upgraded manhole covers to eliminate the odor nuisance that was being experienced. The Environmental Health Department is satisfied that this work will remedy the situation.

SUPPLEMENTARIES

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

MR. TRUMAN M. BODDEN: To the Honourable Member. Did the Public Health Department

tell you that the stench that was escaping from the sewage works was not injurious to health at all?

HON. D. EZZARD MILLER: Yes, Madam Speaker, this answer is prepared by the Chief Environmental Health Officer.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Madam Speaker, the answer states that odors are normally not injurious to public health. I am asking you specifically if he has checked this and found that it was pure stench?

HON. D. EZZARD MILLER: And I answered him in the affirmative, yes, Madam Speaker.

MADAM SPEAKER: We shall proceed to the next question No. 253, standing in the name of the Third Elected Member for George Town.

THE THIRD ELECTED MEMBER FOR GEORGE TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE

NO. 253: Would the Honourable Member say what progress has been made with the tourist toilet facilities at the Spotts Tourist Landing?

ANSWER: The construction of this facility is pending with the Public Sector Investment Committee (PSIC) and a decision is expected soon. Funds for the construction of the facility have been included in the 1992 Budget; and, I might add, this amount is CI\$114,000.

SUPPLEMENTARY

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Would the Honourable Member say how early he expects this to be completed and secondly, whether it is not a fact that there are no facilities there for the thousands of tourists that will probably be coming in there during the Nor'wester season that we are now going into shortly?

HON. W. NORMAN BODDEN: Madam Speaker, I would expect to have confirmation from the PSIC probably within the next few weeks and with the funds being provided in the budget for 1992, we would certainly get started as early in January 1992 and the facilities that are normally there are the portable facilities which are not satisfactory and of course, as the Member is aware the thousands of tourists that use this only occurs whenever Spots has to be used as an alternate. This, I think, in the past has been an average of maybe three times per year, but nevertheless a facility is necessary and will be started in early 1992.

MADAM SPEAKER: The next question is No. 254 standing in the name of the Third Elected Member for George Town.

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

NO. 254: Would the Honourable Member say whether all necessary repairs to school buildings, facilities and equipment were fully completed before the schools opened for the present school term?

DEFERMENT OF QUESTION NO. 254
S.O. 23(5)

HON. BENSON O. EBANKS: Madam Speaker, in accordance with Standing Order 23(5) I request permission to have this question deferred for answer later in this meeting.

QUESTION PUT: AGREED. QUESTION NO. 254 DEFERRED.

MADAM SPEAKER: The next question is No. 255, 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 ELECTED MEMBER FOR COMMUNICATIONS, WORKS AND AGRICULTURE

NO. 255: Would the Honourable Member say when will work commence on the Creek Barcadere and the ramp at Spot Bay?

ANSWER: Work on the Creek Barcadere commenced on 7th November, 1991, but had to be halted because of weather conditions. It is unlikely that any further work will be carried out on this project during the remainder of this year because of continuous bad weather on the north coast of the Island. There will be no work on the ramp at Spot Bay during the remainder of 1991 for the above-mentioned reason.

SUPPLEMENTARIES

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

MR. GILBERT A. McLEAN: Madam Speaker, could the Member say if there are some funds for these two projects in this year's budget?

HON. LINFORD A. PIERSON: Yes, Madam Speaker, an amount has been requested under Maintenance of Harbours and Channels of \$50,000 in 1992. It is expected that this will be used on those projects.

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

MR. GILBERT A. McLEAN: In the light of the Member's reply, would there then be work on both of these projects or would it be the \$50,000 be used solely on the one at the Creek?

HON. LINFORD A. PIERSON: Madam Speaker, it is my understanding that this amount will be used for work on both projects.

MADAM SPEAKER: If there are no further supplementaries, the next question is No. 256, 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 ELECTED MEMBER FOR COMMUNICATIONS, WORKS AND AGRICULTURE

NO. 256: Would the Honourable Member say when is work expected to commence on the clearing of the South Side Channel for which money has been allocated by Finance Committee?

ANSWER: Work on the clearing and deepening of the South Side channel is expected to commence on 27th November, 1991.

SUPPLEMENTARIES

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

MR. GILBERT A. McLEAN: Would the Member say if this work would include actual excavation. Would equipment be moved there or would it be purely hydrographic surveys and so on?

HON. LINFORD A. PIERSON: Madam Speaker, hydrographic surveys have already been conducted because I thought I had explained to the Honourable Member but the work will entail some amount of blasting and clearing of the debris to clear out the channel. Just for the information of the House and the listening public it is intended that the channel will be extended or the full length of the channel will be some 200 feet and it will be cleared to a width of 50 feet by 12 feet deep. So it should be adequate for the purpose intended.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Would the Honourable Member say whether the work started, in fact on this and the previous one after these questions went in?

HON. LINFORD A. PIERSON: Madam Speaker, I think this Honourable House and the Member just asking that supplementary is fully aware that the whole initial interest in this did not come from the Backbench. This was something that was initiated in my Portfolio as one of my projects for Cayman Brac and it was not something that I was pushed to do. This has been in the works now for about two years.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: I would like to state that I did not mean anything personal. I just wanted to show the effectiveness of questions in the House, Ma'am.

MADAM SPEAKER: Would you bear in mind too that the Member has answered that the work on the South Side Channel is expected to commence by the 27th of November. It has not commenced yet. The next question is No. 257, 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 ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE

NO. 257: Would the Honourable Member say if there are any outstanding fees owed to Government by the Ramada Treasure Island Hotel?

ANSWER: Yes, the Ramada Treasure Island Hotel has an outstanding balance of \$586,725.97, representing Tourist Accommodation Tax covering the period January 1987 to July 1988, which amount relates to the period prior to Ramada's management of the property. Government has obtained a judgment in the Courts against this hotel for this outstanding amount in addition to inhibiting the disposal by sale or otherwise of the property without the consent of Government.

SUPPLEMENTARIES

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

MR. GILBERT A. McLEAN: Would the Member say if the actual amount which is outstanding now was greater than this and if some has been collected prior to these times?

HON. W. NORMAN BODDEN: Yes, Madam Speaker, there was an additional amount of \$50,127.47 which has been collected. In other words originally the amount was \$636,853.44 and what has happened is that Ramada since taking over the management has paid any amount that was incurred after the date that they took up the responsibility for managing the property and that amount is \$50,127.47.

MADAM SPEAKER: The Third Elected Member for West Bay.

MR. JOHN D. JEFFERSON, JR.: Thank you, Madam Speaker. I wonder if the Member could say what arrangements are being made then to collect the outstanding back tax since Ramada is not taking responsibility for this?

HON. W. NORMAN BODDEN: Madam Speaker, there is continuous communication between Government and the shareholders, I guess they are called or trustees of the Treasure Island Resort in an effort to have this money paid into Government. However, as pointed out in the substantive answer, failing any collection Government has in fact received the judgement so that the property cannot be sold or disposed of without Government being reimbursed to the amount that is outstanding.

MADAM SPEAKER: The Second Elected Member for Bodden Town.

MR. G. HAIG BODDEN: Madam Speaker, can the Member say if the judgement has allowed the Government to get interest on the outstanding amount since this is Government's money which the hotel collected?

HON. W. NORMAN BODDEN: Yes, Madam Speaker, it is my understanding that this is calculated at a 7.5 per cent interest rate per annum.

MADAM SPEAKER: The next question is No. 258, standing in the name of the Third Elected Member for West Bay.

THE THIRD ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE

NO. 258: Would the Honourable Member say what is the timetable established to implement the recommendations of the Consultants on Cayman Airways Limited?

ANSWER: Government has obtained the services of two airline professionals from Aer Lingus to assist Cayman Airways Limited to implement the recommendations which the Portfolio has accepted. These two persons arrived on the Island during the week of 4th November, 1991, and have been contracted for a period of one year with effect from 18th November, 1991. It is intended to have the recommendations implemented during this period.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementary, the Second Elected Member for Bodden Town.

MR. G. HAIG BODDEN: Madam Speaker, as the consultant's report recommended a merger or the taking in if this is possible with other carriers, can the Member say if any negotiations have been made with US Air to work along with Cayman Airways? Also, as the consultant's report mentioned Baltimore as one of the cities in the United States, can the Member say if Cayman Airways is contemplating opening up a new route to Baltimore and will the Member say if the answer is yes to these, will the Government be asked to put up the money for this new route?

HON. W. NORMAN BODDEN: Madam Speaker, in the recommendations that were made regarding a possible partnership between Cayman Airways and some other non-competitive carrier, Cayman Airways has for some time been discussing and holding meetings with US Air regarding a code sharing arrangement which would take place through US Air and Cayman Airways at the US gateway of Baltimore. This has not been completed yet, but in the recommendations which have been accepted and passed on to the consultants, one of them was to pursue the recommendation of a partial privatisation and to provide a plan of how this may be accomplished and research on partner possibilities with airlines such as US Air.

If a code sharing agreement is reached between US Air and Cayman Airways the airline would have to analyse and consider the feasibility of that route in its over all operational system.

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

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker, the Member referred to the recommendations passed on to the consultants, the airline professionals. Could the Member say or if necessary give me in writing whether there were any of the major recommendations not passed on to them? Whether you left out any major recommendations?

HON. W. NORMAN BODDEN: Madam Speaker, what I did was to review the consultant's study and extract the major recommendations in there and produce a document which was given to the consultants. That included basically the major recommendations made in the studies. There were a few which there would really have to be decisions taken by the Portfolio. For example there was one regarding the composition of the Board of Directors. That is a matter that the Portfolio would attend to but basically all the major recommendations made there were accepted and have been passed on.

MADAM SPEAKER: The Third Elected Member for West Bay.

MR. JOHN D. JEFFERSON, JR.: Thank you, Madam Speaker. I wonder if the Member could basically advise as to the term of the commitment with these officers? Is it a year, two years?

HON. W. NORMAN BODDEN: It is one year for the initial stage, Madam Speaker.

MADAM SPEAKER: The next question is No. 259, standing in the name of the Third Elected Member for West Bay.

THE THIRD ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR HEALTH AND SOCIAL SERVICES

NO. 259: Would the Honourable Member advise on the status of plans to establish a Mental Health facility for the Cayman Islands?

ANSWER: The continued use and development of the present George Town Hospital site calls for an expanded mental health facility which will include facilities for a day-care centre for the mentally ill as well as short-term residential provision.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementary, the Third Elected Member for West Bay.

MR. JOHN D. JEFFERSON, JR.: Thank you, Madam Speaker. I wonder if the Member could say

where this rates in his list of priorities?

HON. D. EZZARD MILLER: Madam Speaker, it is hoped that that will be one of the first improvements to the present site.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker, would the Honourable Member say or give us details of what is expanded mental facility and the day care centre will be?

HON. D. EZZARD MILLER: Madam Speaker, I believe that the Member has seen the Development Plan that was published for the George Town site. That included a separate out-patient building which would combine, both mental health out-patient facilities and substance abuse, because many times those types of people need similar treatment and the professionals would be available internally. The short time residential part of it could not be developed until the new hospital is occupied because we would need the rooms that are presently used in the hospital to provide that service.

MADAM SPEAKER: Third Elected Member for West Bay.

MR. JOHN D. JEFFERSON, JR.: Thank you, Madam Speaker. Since my being elected in 1988, I have heard a lot about the mental health facilities. I wonder if the Member could give us a time frame in which he expects this facility to be put in operation, as it is badly needed?

HON. D. EZZARD MILLER: Madam Speaker, I would have like to have had it in place now but we all have to work within the resources provided but it is hoped, and it might be possible, to complete it during 1992.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Would the Honourable Member say how many rooms or the size of the facility, which is to be done before the new hospital, will be?

HON. D. EZZARD MILLER: It will be a butler style building that is 2,000 square feet. It will house the new Physiotherapy Department, as well as the out-patient side of mental health and substance abuse. The plan locates it in the back of the present hospital site with an entrance in front of New Image Health Club.

MADAM SPEAKER: Supplementary the Third Elected Member for West Bay.

MR. JOHN D. JEFFERSON, JR.: Thank you, Madam Speaker. The Member mentioned that it is hoped that this facility would be in place by 1992. I wonder if he could confirm whether or not there are any provisions in the budget for this and what is the amount?

HON. D. EZZARD MILLER: Madam Speaker, there is a carried forward loan of a million dollars in the Budget which was originally granted by specific Law by Parliament for expansion of the surgical wing and the a new Trauma Centre at the present hospital site with the likelihood that the new hospital will be completed in November, 1993. It is proposed to bring an amendment to that bill back to Parliament to use that money for something else.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Madam Speaker, would the Honourable Member say when he proposes to start the new hospital, if he is going to finish it in November, 1993?

HON. D. EZZARD MILLER: April, 1992.

MADAM SPEAKER: The next question is No. 260 standing in the name of the Third Elected Member for West Bay.

THE THIRD ELECTED MEMBER FOR WEST BAY TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR COMMUNICATIONS, WORKS AND AGRICULTURE

NO. 260: Would the Honourable Member advise the House on the status of the road programme reviewed by the Grips Committee?

ANSWER: The Steering Committee of the Grand Cayman Road Improvement Plan Study (GRIPS) is finalising its preliminary report. It is anticipated that it will be presented to Government.

Members of this Honourable House and the public by the end of this year.

SUPPLEMENTARIES

MADAM SPEAKER: Supplementary, the Second Elected Member for Bodden Town.

MR. G. HAIG BODDEN: Madam Speaker, since the Member will have this final report in another five or six weeks, can he tell us what are the major roads in this study which he has discussed with the Committee?

HON. LINFORD A. PIERSON: Madam Speaker, the first part of the supplementary, I would like to clarify. I did not say that it would be a final report, I said the GRIPS Committee would be finalising its preliminary report. As applies to the second part of the question, I do not have that information readily available.

11:00 A.M.

SUSPENSION OF STANDING ORDER 23(7) & (8)

MADAM SPEAKER: It is now 11:00 o'clock.

HON. THOMAS C. JEFFERSON: Madam Speaker, under Standing Order 83, I move the suspension of Standing Order 23(7) & (8) to allow the other supplementaries and or questions to be taken this morning.

QUESTION PUT: **AGREED.** **STANDING ORDER 23(7) & (8) SUSPENDED TO ENABLE THE REMAINING QUESTIONS UPON THE ORDER PAPER TO BE TAKEN.**

SUPPLEMENTARIES TO QUESTION NO. 260 (CONTINUING):

MADAM SPEAKER: Supplementary, the Second Elected Member for Bodden Town.

MR. G. HAIG BODDEN: Madam Speaker, can the Member tell us from this preliminary report roughly what amount of money will be involved to carry out the recommendation?

HON. LINFORD A. PIERSON: Madam Speaker, I did say in the substantive answer that the Steering Committee of the Grand Cayman Road Improvement Plan Study (GRIPS) is finalising its preliminary report. I do not yet have that report, Madam Speaker.

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

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker, could the Honourable Member say whether he has any intention of bringing any major road work next year which would be arising out of this or otherwise bring major road work next year that is not in the Budget?

HON. LINFORD A. PIERSON: Madam Speaker, we are now considering the budget for 1992. I have no authority to bring anything outside of that budget.

MADAM SPEAKER: Supplementary, the Third Elected Member for West Bay.

MR. JOHN D. JEFFERSON, JR.: Thank you, Madam Speaker. The Member seems to be skirting around some information. He is saying that his preliminary report will be available by the end of the year. I wonder if he could confirm whether or not part of the Committee's research surrounds the problems we have on the West Bay George Town corridor?

HON. LINFORD A. PIERSON: Madam Speaker, it appears the Member has a problem expressing himself. I am not skirting around any questions that have been asked. I have given direct answers to all the questions that have been asked me. I do not have the information that he is requiring. He is aware that we did address this matter very comprehensively once before and this matter was scuttled. We are now in the process of having a comprehensive look at it again and hopefully he will support it this time.

MADAM SPEAKER: The next question is No. 261, 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 FIRST OFFICIAL MEMBER RESPONSIBLE FOR FINANCE AND DEVELOPMENT

NO. 261: Will the Honourable Member outline in detail the procedure to be followed by a registered non profit organisation when registering a parcel of land which has been donated to it with nil consideration for it to be granted a reduction in stamp duty?

ANSWER: Madam Speaker, the fact that a registered non-profit organisation has a piece of property donated to it with nil consideration affords it no special consideration in regard to the waiving or reduction of stamp duties.

Stamp duty is paid on the market value of the property as determined by the Land Registry. Under the Stamp Duty Law, 1973, the Commissioner for Stamp Duty may, for good cause which shall be in **his sole discretion**, waive or abate the whole or part of the duty payable.

To assist the Commissioner in arriving at a decision, it would be necessary for the non-profit association to provide evidence of all or some of the following:

- (a) Certified Certificate of Incorporation;
- (b) Certificate of Good Standing;
- (c) Certified copy of its Memorandum and Articles of Association;
- (d) Estimated value of the property;
- (e) Certified copy of the Register of Officers and Directors;
- (f) Financial evidence of the organisation's inability to meet the stamp duty payment;
- (g) Covering letter from the organisation requesting the waiver or reduction of stamp duty.

SUPPLEMENTARY

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

CAPT. MABRY S. KIRKCONNELL: Thank you, Madam Speaker. Madam Speaker, a supplementary. In the case where love and affection for a community is involved, is there not a provision in the Stamp Duty Law for a deed of gift and a \$50 transfer?

HON. THOMAS C. JEFFERSON: Madam Speaker, love and affection as defined in the Stamp Duty Law is between parents and children or husband and wife; nothing to do with any other organisation.

MADAM SPEAKER: If there are no further supplementaries, that concludes Question Time for today.

The next item is Government Business Bills, continuation of the debate on the Budget Address delivered by the Honourable the First Official Member on Friday, 15th November, 1991. The Honourable Elected Member responsible for Health and Social Services, continuing.

GOVERNMENT BUSINESS

BILLS:

SECOND READING

THE APPROPRIATION (1992) BILL, 1991

CONTINUATION OF THE DEBATE ON THE BUDGET ADDRESS DELIVERED BY THE HONOURABLE THE FIRST OFFICIAL MEMBER ON FRIDAY, 15TH NOVEMBER, 1991.

HON. D. EZZARD MILLER: Madam Speaker, when we took the adjournment at 4:30, yesterday, I was about to comment on and offer my support to the policy position of the Government on how to deal with the growth in the Civil Service. The First Elected Member for Bodden Town in his contribution to the debate gave statistics which showed some 600+ new positions being added to the Civil Service and he lamented the fact that only approximately 50 per cent of these posts were filled by Caymanians.

This, in my view, is a very superficial analysis as no account was taken of new services added and I gave some examples of the new services that had been added during that time frame and pointed out that I did not think it was wise to deny needed services, for example, the Community Counselling Centre, to the public simply because we do not have Caymanians with the skills to do the work.

The economic success story of the Cayman Islands could not have been possible without the importation of many skills and the Budget Address acknowledges this while making it quite clear we need to further develop our native manpower resources in order to sustain this development over the long haul. Now, if there was a runaway growth in the Civil Service, it has been checked. The Budget speech on page 23, clearly states what steps have been taken and that over the two year period, that is 1990 to 1992, the Service will only grow by four per cent. When one looks at the percentage of revenue in that growth, one must also be cognizant and remember that the Civil Service salary awards or increases over the life of this Government total more than 30 per cent in the last three years.

The Budget Address also deals with ways to improve efficiency

and effectiveness such as enhanced employment performance, evaluation and much has been done over the last three years through in-service training to improve the skills of the individual in the Civil Service. No doubt, Madam Speaker, the Member responsible for the Civil Service will deal with these issues more thoroughly in his contribution to the debate. But I wish to emphasise the fact that the Budget Address deals with these matters effectively, in spite of the charges to the contrary by the two speakers who spoke for the Backbench.

Madam Speaker, I would now like to deal with the Revised Estimates 1991, and the state of the public finances. The Financial Secretary in his and I quote said: "The revised estimates for 1991 indicate a total Government expenditure of \$127.8 million which exceeds the original estimate of \$124.3 million by 2.8 %". Madam Speaker, that is not bad budgeting.

"This estimated overrun is primarily a result of supplementary expenditure approvals of \$5 million and expected underspending under Statutory and Capital Expenditures. Total revised ordinary revenue, at \$109.5 million, is expected to fall below the original estimate of \$110.3 million by about .7 of 1%. This shortfall in total revenue is mainly caused by an expected .8 million shortfall in stamp duty collections."

Madam Speaker, both of the speakers for the Backbench made a big deal of the fact that Government had increased the stamp duty payable on land transfers above \$250,000 to 10 per cent last year and that that was what had created a shortfall. Imagine how bad it would have been if the Government had not increased the revenue? We know that the Government brought forward a bill in September to try and deal with those people who try in one form or another to avoid having to pay their stamp duty at all.

This is what the Financial Secretary had to say about the general reserves and I quote:

"The general reserves balance at the beginning of the year stood at \$12.00 million. Interest earned this year is expected to total \$1.0 million which produces an estimated total at year end of \$13.0 million. It is proposed in the 1992 budget to transfer \$3.5 million from General Reserve to General Revenue, thereby causing a reduction in the reserve position to \$9.5 million. The draw-down however will require the approval of the Legislative Assembly which will only be sought if there is an absolute necessity for these funds. If economic growth in 1992 is better than 1991 it is unlikely that the draw-down will be required."

Some people have read the first part of that paragraph where it said about the proposal to draw-down the \$3.5 million and ignored the conditions under which it is proposed. It is not being done in this Budget session and I repeat what the Financial Secretary said: "The draw-down however will require the approval of the Legislative Assembly which will only be sought if there is an absolute necessity for these funds."

The Pension Contribution Account. Madam Speaker, Members like to tell the public about the liability for Civil Servants Pensions. None of them have so far mentioned the action taken by Government to try and reduce that liability by providing a fund to do so. This is what the Budget Address says about the Pension Contribution account. I quote:

"The balance on the Pension Contribution account at 31 December, 1991 is expected to be \$3.4 million and is estimated at \$5.6 million (excluding interest to be earned in 1992) by the end of next year. This represents the proceeds of the 4% deduction from Civil Servant's salaries, Government's 4% matching contribution and interest earned on these proceeds for the current year."

No effort has been made by the Backbench to compliment the Financial Secretary for this move to fund the civil servant's pension properly. All they are concerned about is the debt.

On the Public Debt, I am not overly alarmed by the Public Debt of this country because of the self financing debt by the authorities is included, as has been done here and it is correct to do so, then you have before you can strike percentages and express those loans as a percentage of revenue, you have to add to the Government's revenue the revenue of those various authorities. That is substantial and that puts a different picture altogether on the Public Debt as a percentage of revenue. The authorities are servicing the debt, they are paying the loan and I see no reason why they cannot continue to pay those debts.

If we look at the Draft Estimates for 1992, which the Second Elected Member for Bodden Town used in his debate he used the table on page 10, and made a great deal out of the \$15.8 million deficit as is highlighted in the new format. Of course if one looks at page 8, it gives a little different picture. On page 8, 1992 Estimated Budget Highlights brings forward a surplus account of \$2.1 million, gives the total receipts of \$129.1 million, gives the total expenditure of \$130.8 million leaving a surplus of \$0.4 million. Madam Speaker, that is the old format that we used to use. I would hazard a guess that if someone took the time to use this new format to any of the budgets presented in this Parliament over the last 10 years and show the funding in the financial notes most, if not all, will have a deficit without reference to the financial notes.

Madam Speaker, I had to use what the Member calls my artificial smile when he estimated that he thinks the deficit for 1992 should be somewhere around \$65 million, counting the new hospital and the CAL debts. The Second Elected Member for Bodden Town, as did the First Elected Member, said that the Budget before us is incomplete because no reference is made to the \$16 million

needed for the new hospital by the Health Authority and no reference is made to whatever the settlement might turn out to be for Cayman Airways. He told the House that I will be asking the Government for a guarantee because I intend to build a new hospital. He is correct in that. That is no secret. I have stated that publicly in this assembly before, that the new hospital will be funded by a loan over the assets of the Health Authority guaranteed by the Cayman Islands Government. He will get the opportunity in the very near future to support it or to oppose it.

I do not expect the Backbenchers to support the guarantee. They have also made that clear. That is no secret to the public. Their choice is to erect something on the present site to try and solve the problem. That is what got us in the trouble we are in now, because this country had a long term health plan in the early 1970s and when the now Third Elected Member for George Town came in to Government, as the new Member for Health, he sent the plans down into the basement and they have been going on helter-skelter ever since. I will deal with the threats of the First Elected Member for Bodden Town about what they intend to do with the programmes that are in place when they get in, a little later on.

Madam Speaker, the most important infrastructural need in this country right now is a new hospital. We need it if we are going to continue to attract tourists. The Member for Tourism can confirm, in his contribution to the debate, that they are beginning to be concerned about it. We have been able to buy some time with the agreement with the Cleveland Clinic; the cruise ships are beginning to get concerned about it; the quality of life in Cayman for investors is decreasing if we do not get it.

When they heap all of that vicious debate about International Healthcare Corporation (IHC), they made some intimations that they had plans and they knew they could work on the present site, etcetera. I believe I also have a copy of those plans that was presented to them because I believe they were presented to me too by the same consultant. They were not cheap and the facility that was recommended does not carry a good reputation where a similar facility is located in one of the Islands in the Eastern Caribbean. I have yet to see anyone who has something good to say about it and it was not cheap. I will unveil that to the public when I think it is right. The 1992 election is still to be won and when the time comes to fight that, I will fight.

The 1992 Budget has in it a grant of \$7,468,900 to the Health Services Authority, plus \$1 million in a Vote to the Personnel Department to pay for its civil servants, pensioners, MLAs and all their dependents - that is Government pensioners and the Health Authority will be allowed to keep any revenue it generates. This is in contrast for the Revised 1991 Expenditure of \$10,942,981 plus an additional \$1 million for the Health Services to Cayman Brac and Little Cayman which is offset on the revenue side of the Budget of 1991 by \$1,655,950. I hasten to add, that that grant includes the five per cent award to the civil servants. The hospital staff will get that same five per cent.

No other authority ever created by Government has been asked to accept such a challenge in its infancy, the first year of operation after the law comes into effect. The Health Authority Board has accepted the challenge and I am confident the management and staff of the hospital will rise to the occasion and deliver even higher quality and quantity of health care in 1992 in spite of the doom cast upon them by the Backbenchers and their lack of support and encouragement to the staff and programmes which I bring forward.

The staff, I believe, is quickly understanding that they do not have their welfare at heart and only want information for political purposes to attack this Government and in particular this Member either on the floor of this House, while it is sitting, or in their Public Accounts Committee, which, from what I observed, was bordering on obnoxious to the Civil Service. They have no respect nor courtesy for the professional staff in what I would classify as their kangaroo court. They have only one concern and that is political mileage, to be able to criticise this Member.

I have sat in the Gallery during their open hearings and listened to them deal with my staff. I believe that the senior civil servants are aware of their actions and their attitudes. No regard for the outstanding performance of staff even after they show their political loyalties by giving them information, which was given to them under confidential cover. I believe that the great majority of the staff at the hospital know who has their interest at heart and who is working long, hard hours to improve their job satisfaction and the facilities for health care in this country.

This Government has been repeatedly criticised, and in particular, this Member, by the Backbenchers for raising hospital fees beyond the reach of the poor. That is totally unfounded. They are aware that there are systems and mechanisms in place to ensure that no-one is denied health care because they cannot pay. The Second Elected Member for Bodden Town said, in his contribution, that he knew someone who was so denied. I invite him to give me the details in writing or to have his constituent member give me details in writing so that I can improve the system, if improvement is needed and see that it never happens again.

With all the safe-guards in place for the poor, of which that Member is well aware, I have to ask, are they concerned about the poor or do they want subsidised prices for the rich? There is a marked difference, Madam Speaker. The Government position is, that those who can afford to pay, should pay at least the cost of the care they receive.

They made a big deal of the letter in the press yesterday from the Cayman Islands Medical and Dental Society (CIMDS) and we all know what political leanings that gentlemen has. I do not need to remind the country nor the House of the 1988 election campaign. No Member in the history of this country has tried harder to involve the CIMDS in policy decision concerning health care in this country, than I have. Two years ago I asked them for input on improving the Health Practitioners Law in three specific areas - licensing procedure, discipline and whatever punishments or sanctions those disciplinary breaches should carry. They came back to me with a verbal proposal, they would handle everything. They would regulate, discipline themselves and I told them I was sorry, I could not accept that. I am still waiting on their input.

They came to me and asked about creating a separate medical council within the Health Practitioners Law, I agreed that I would consider it in the re-draft of the Law. They wrote me a letter asking me to consider appointing one of their members on the Board of the Health Practitioners Board, I called the President for a recommendation, he recommended himself, I accepted the recommendation and a week later after it was announced, I got a letter of chastisement from the Association saying I have no authority to appoint their President to represent them.

The press release that they released on the 30th of October, 1991, to which I was interviewed by a reporter from the *Caymanian Compass* for over an hour, I dealt with every paragraph in that press release. She took one of those paragraphs and called up everybody she could find in the CIMDS for comment but she did not call me when she was putting their press release on the headlines of the paper. My response, and I am going to explain to the public how that response came about and how that press release came about, because since they want to air it in the public, well let us air the whole story. The first paragraph in that press release said: "The first responsibility of CIMDS is to the welfare of its members."

That is as it should be, Madam Speaker. I have no difficulty with that. I accept that and I expect it. But, in the interest of the country I must therefore weigh any recommendations coming from them in that light when making public policy which concerns them and the people of this country. Because they do have a right to protect their economic base and that was particularly obvious in their input on the Pharmacy Law when they were trying to protect their economic base. There is nothing wrong with that but when they write comments such as, 'the Governor should not be allowed to prescribe regulations because he is not a qualified doctor', when you get statements like that in writing, one has to be careful how one evaluates the input one gets.

Let us look at their letter and I said it is unfortunate that I have to do this but the CIMDS has continually and systematically sought to air their differences with me and the Portfolio in public, even after my staff and I have sat down and spent hours, until 9:30 in the night, answering their questions and they have left the meeting with everything being Kosher agreeing with everything you are doing. That is on the 14th of October, and then the 30th of October they put a headline in the paper that they have all of these great concerns.

In their press release on the 30th of October, they made it quite clear that the day they wrote the press release that was their present view. That is important because those views tend to change quite rapidly. The Health Plan made a presentation to the Society at one of their meetings on a motion moved by Doctor Edlin Merren, they endorsed the Plan and had a press release in the paper the next day praising the Plan. Two weeks later they were down with the Chamber of Commerce criticising the Member and the Plan because they do not need it. So their views change. Of course there was one Member in here who said that there were only two people who could not change their mind and I expect they can change their mind but there should be some consistency in their input. They must not tell me one thing, tell the Backbench something else and tell the public something else too. These are professionals we are supposed to be dealing with.

They support the concept of the Health Authority but disagree with some aspects of the membership of the Board. They are upset because I did not put their whole Executive on the Board. We have three physicians on the Board and they talk about their civil servants and they might be intimidated.

The Second Elected Member for Bodden Town in his contribution yesterday said that that is a correct statement because we all know what happened to Doctor Kools. Doctor Kools has hid behind his going public and going statements but that is not the primary reason why he was asked to resign. It had to do more with professional conduct. We have people he operated on who have a bigger hernia today than what they had when he operated on them.

They disapprove with me as the Chairman of the Board, that is no news. They think there should be more professional people and then they try to say that they are not criticising the actual members of the Board but consideration should be given to increasing the Board membership to ensure the inclusion of more senior and experienced professional representation. Age is not the only qualifying factor to be able to give professional representation. I respect age, but some of these people on this Board are bank managers and successful business men and women, the very senior in our society. I challenge them to identify any member of the CIMDS that can demonstrate better management capability than those members I have on that Board.

MADAM SPEAKER:
suspended for 15 minutes.

Would you take a suspension at this time. The House will be

AT 11:45 A.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 12:05 A.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed, debate continues by the Honourable Elected Member responsible for Health and Social Services.

HON. D. EZZARD MILLER: Madam Speaker, when we took the suspension I was dealing with the letter in the *Caymanian Compass* of Thursday 21st of November, by the Cayman Islands Medical and Dental Society to which the Second Elected Member and the First Elected Member for Bodden Town referred to in their contribution. I had dealt with the first three points.

The fourth point deals with the appointment of a senior nursing

representative as being desirable, although they are aware that I do not share their view. That is a fact, I told the nurses that because anytime you take one sector of an organisation and promote that particular sector for Board representation, at the very least it leads to the perception of preferential treatment. The Board is not there to manage the institution on a day to day basis and nursing is well protected and represented in the actual management committee on a day to day basis.

I dealt with their comments about the medical members on the Board are either civil servants or employees of the Authority and therefore susceptible to coercion for fear of the consequences. That is not speaking very highly of their fellow professionals who sit on the Board, Madam Speaker. I think those three people are all capable of expressing their views when asked to the best of their ability, irrespective and there are no consequences for them to fear.

They agree with the Chamber of Commerce that too little time has been given to discuss these important matters adequately. If you give them a year, I met with the Chamber of Commerce for a year on the Pension Plan, they still did not have enough time. They have a standard letter on their computer that they send back to me concerning time. They claim they only had two weeks to deal with the Health Authority Legislation. I do not believe that is entirely accurate but I do not have the information here to prove them wrong so I will give them benefit of the doubt. Certainly the Health Authority had been talked about a long time before those two weeks.

Six week interval to study and discuss all aspects of proposed Health Insurance. Madam Speaker, all Members of this House received copies of a draft bill and regulations in August and were asked for input by the 3rd of September. Of course, as usual I am still waiting on the Backbenchers to send anything for me on it. But the Medical and Dental Society replied and this is what they said in their first letter and we are getting back to their professional views. This letter is dated September 19th, 1991. The second paragraph reads: "The Health Insurance Committee had subsequently analyzed your statements and also the draft document of the Health Insurance Plan. The Committee has found major flaws in the proposed Plan and recommend that the present Plan as presented to them be rejected.". This was three weeks short of the deadline and then they are lamenting in this letter to the press that the six weeks were not long enough.

The next paragraph says: "The CIMDS as a professional body is ready to give input about an alternative health coverage plan for the Cayman Islands and would like to meet with you as soon as possible.". I am going to deal with those alternatives when I start talking about the National Health Insurance Plan. But, they never had enough time yet they could conclude their input three weeks early and they said that is haste.

This last week my Portfolio circulated 60 odd copies to the public of the re-drafted bill after we got input from the health professionals, mainly the health insurance providers. The public has until the 17th of January to comment on that bill and they were told this in a meeting with me on the 14th of October and then they make that press release that it is being hastily done.

This number eight takes the cake. "We all agree that a new hospital is needed in the future, but it should be started when the funds are available.". I want to know how anybody is going to start the hospital before they have the funds available to do it with? I doubt they are going to have any donations come forth from them for it. I know where the money is going to come from, they do not have to have any sleepless nights over it. What they have to worry about is these other things which I am going to introduce; medical audit, pay review; and credentialling and privileging. That is what this is all about. It is not about the Health Insurance Plan, or the new hospital either. In time, Mr. Third Elected Member for George Town, you will know. It will be put on your desk as the Standing Orders require.

Madam Speaker, they are totally against a split-site concept. There is no split-site concept. Now they all have their private offices scattered all over town as out-patients. That is not split-site. Worse than that, they go on to say we believe that \$16 million is an under-estimate and we would appreciate more information on this point. Can you believe that several of the members of this body, including the executive, are on facility committees which developed the Plan including the President. The contract that is let with the consultants says that it has to be built for \$16 million or have they have to re-design it.

This is just politics that they are playing but I have never been afraid of their public criticism. If I was afraid of that, I would not ask them for input. You cannot foster a relationship between a government department and a professional body like CIMDS when you sit down and you meet with them on equal terms. When I gave them copies of the Health Insurance Bill and Regulations, I met with them for almost two hours and explained it to them. They converted that into a discussion on the health facilities plan for the hospital. They wanted me to throw the CMO out of the office so they could about him and I refused to. Then in the final analyse they told me they did not understand how all these things could be done before the new hospital is built. I said, "gentlemen, this is a 15 year plan." Great revelation to them, they had never heard that before. So everything was kosher. Since it was a 15 year plan, they supported everything.

If they continue to force discussions in public forums, the Portfolio may as well not call them in and ask them for their input. Just announce what you are going to do before you make the final decision and pick-up the Compass some weeks later and see what their reply is going to be and act accordingly. If that is the kind of relationship that they want, I do not have any problem with that.

The First Elected Member for Bodden Town in his contribution to the debate would have the public believe that this Budget before us has no input from the Financial Secretary and his departments and that the four Elected Members used their one vote majority in Exco to beat him over the head to produce this Budget. Nothing could be further from the truth. All decisions on this Budget were made collectively by consensus in Executive Council with all the major recommendations coming from the Financial Secretary after input from all the Government departments and their respective Portfolios, as that is his Portfolio and all the decisions were made without a single vote having to be taken on a single item.

This Budget is a Government Budget made collectively and all seven Members played their part and support the Budget and they are all, no doubt, prepared to defend any aspect of it as well as the whole Budget. How can anyone look at this Budget and accuse the Government of a failure to plan? Part of the improvement package by the Honourable Financial Secretary is the introduction of short, medium and long term financial plans. They pay lip service to him when he tells them about the plans and then they ridicule it when they see him put expenditure in 1993/1994 and they question who is going to implement it? Not them, we are told. When they become the Government unless they fall within their realm of importance none of the programmes for 1994 will be implemented and we all know what the qualification is to fall within their realm of importance - political popularity.

We know that that does not include any of the present Government's proposals. They have opposed them all, even in principle. Their track record show little regard for national projects. Need I remind the country what happened to the 1990 Budget when they used their majority? Not a single national programme was funded. All individual constituency programmes were funded, yet they have the nerve to charge this Government of failure to plan, to set priorities, of making excuses and abrogating responsibilities which is the buzz-word of the First Elected Member for Bodden Town.

He claims I need to put my ego on the back burner and place the interest of the country on the front burner. Madam Speaker, no member of any Government in this country has exposed himself to more public criticism by seeking public input, public consultation than I have in an attempt to get what is best for Cayman and Caymanians as far as my responsibilities, with which I am charged, is concerned. No one who wants to project or protect his ego would so expose it. What that Member needs to talk about and to evaluate is his blind ambitions for power and that chip, that is almost a tree, that he is carrying around on his shoulder. He needs to crawl down out of that academic tower and start making some constructive criticisms of which he should be capable to the needs of this country.

I started my debate by saying that I was very troubled by his contribution to the debate. One of the most troubling things of his debate was his analysis of why we do not need a new hospital, in particular, his sociological analysis that because some people prefer to go to Miami, we must not try to provide properly for Caymanians.

Madam Speaker, there are those of us in Cayman who cannot afford to go to Miami to treat a buck toe. Maybe he has no regard to cater to these people, because he says it would take years to change the public opinion. Yet, he aspires to be the next Member for Education. Would he prefer they go to Miami for that too? Maybe we are going to have the 'Moses' transformation in flight between here and Miami. Does he not see the need of the \$10 million Primary School for George Town?

He has seconded a motion to delay the Education Plan, which in his last speech in this Honourable House on that subject he had nothing but praise for the Member on the Report. But, the Third Elected Member for George Town, and we know they decide 'collectively', went to one PTA meeting in one private school and saw the possibility of picking up a few votes for there 1992 and he changed his position in that meeting as he changed it on the meeting of the Sanitary Landfill. Voted for the money down here to buy the land and then told them at that meeting he did not know that they were buying land, did not know what it was going to be used for. Now the two of them decide that they are going block and delay the introduction of the much needed improvements to Education.

MADAM SPEAKER:
please not repeat yourself?

Honourable Member you did state that yesterday, would you

HON. D. EZZARD MILLER:

Madam Speaker, that Member takes every avenue and opportunity open to him to criticise my performance, my character, my stewardship, my attitudes, my personality and anything else he can find in his most vicious way possible. So far, I have tended to remain above his fancy adjectives and attacks, but I would only say to him his actions and performance do not go without comment to me by members of the public and the citizens of this country and they are not always complimentary.

He makes comments like 'the Budget is a reflection of ignorance.' On whose part? I do not know, he did not say. I would say it would not be anyone of the seven Members of Executive Council who prepared this Budget. All I would say to the Caymanian public and anybody who looks at the Cayman of the 1990s and believes it is wilderness needs to do a reassessment. I would remind Caymanians of the old adage, "the grass always looks greener on the other side", and that "talk is cheap", especially when it is the kind needed to criticise someone else's actions. I know the Caymanian public will think carefully in November 1992 and they are going to look before they leap.

Let me now deal in some detail with the programmes from my Portfolio as represented in the Budget. In April, 1991, the Government took the decision of establishing a Health Promotion Council with an aim of increasing the permanence and priority given within the Cayman Islands to health promotion by the Government, private sector and the community and to develop active partnerships between health care professionals and statutory commercial and voluntary organisations and the general public. Promoting health and prevention of disease for the population of the Cayman Islands shall be achieved through health education, healthy life-styles, health skills and a healthy environment.

This programme is set for continued expansion and development in 1992 and there is but \$30,000 included in that grant for this programme. The Health Promotion Council was established on the 14th of June, 1991, and the first project launched was Heartbeat Cayman, on that day. The assistance of the Director General of the Pan American Health Organisation, a well known Caribbean national, Sir George Allen, delivered the key-note address and lent his full support to the programme.

Deaths due to heart disease were about 25 to 28 per cent of the

total deaths in Cayman during the last five years. That has been running neck and neck, so to speak, with cancer as a cause and we hope through this health promotion programme to also have some positive effects on cancer through behavioral patterns of diet, etcetera, and reduction in smoking.

As the risk factors for cardiovascular diseases, which were open to prevention were smoking, raised blood pressure and raised blood cholesterol. The Heartbeat Cayman project aims at reducing these risk factors among the Caymanian population through education and promoting suitable life-styles. It is estimated to have all the components established in about five years. It does not mean that we will not have heart disease in five years, but it means the quality of life and incidence of heart disease should be reduced.

On the day that we launched 'Heartbeat Cayman', we developed a simple health passport which contained questionnaires that measure the existence of risk factors amongst individuals including blood pressure, weight checks and information in diet and exercise. On the night that we launched this programme, about 200 people participated in the programme, we have since taken the project to the Public Beach on the 21st of September 1991, during the 'Choose to be Drug Free Week'. With the popular demand the programme was organised at the Tower Building for civil servants on October 7th and 8th, and we repeated it at the 'Pumpkin Festival' at Fosters Food Fair on the 2nd of November 1991.

We have received requests to organise these programmes from some private sector firms and these are in the process of being developed. Under the Health Promotion Council we have also launched the 'Drink Wise Cayman Project' in September and through the leaflet developed by the Health Promotion Council, Members, the Government Information Services and the importers of alcohol advocating the limits of alcohol for a healthy life, although it is better not to use it, these leaflets are provided to various liquor outlets and the traffic department has distributed them during 'Road Safety Week'.

The leaflets are sponsored by the liquor distributors in the Cayman Islands and I would just like to publicly express my gratitude and pride for their partnership with the Government in this venture. We are planning to get the 'TIPS' programme, which is a training programme for bartenders to recognise drunkenness, started early in 1992. So that the bartenders will also be promoting responsible drinking.

The Pan American Health Organisation has provided the services of Mr. Chris Smith, Chief of Research for the Health Promotion of Wales to assist us in collecting of base-line data. He was here during October the 5th to the 15th and assisted in developing suitable questionnaires and the Health Promotion Council is going to review them on the 28th of November and decide on its implementation in February to March 1992. We need this base-line data so that we can set reasonable targets in the reduction of Heart Disease programmes.

One private organisation is already considering the policy on health is our business concept and we look forward to working with them and we hope with the assistance of the private sector organisations to put in place some awards for healthier environments in business places and work places.

I have taken steps to ensure provision of fitness promotion of staff in the new hospital design to keep in line with the ideas of the Health Promotion Council. It is intended to have a Health Fair at the Lions Centre on the 11th of April 1992, marking the end of Health Week which would be April 6th to the 11th, 1991. During the fair it is intended to have the Fitness Promotion, Health Information, and the Health Passports. A programme similar to the one we had on the night we launched the programme.

Pan American Health Organisation in the British Dependent Territories were very much impressed with our health promotion programme during the conference in 1992 and expressed their desire of sending their representatives to the Health Fair in 1992 and it is hoped that the Cayman Islands will be designated at that fair the Health Promotion Charter for the Caribbean.

In all this process we are training a Caymanian to be the Health Promotion Officer and he has already completed one short course in Wales. On immunisation, also funded for improved measures in the 1992 Budget, continuing with our high level of child-hood immunisation we are participating in the Measles Elimination Programme of the region. Previously we used to keep only one dose of measles, mumps and rubella vaccine. Now to fall in line with the United States recommendation, we have instituted a booster dose of the MMR Vaccine at school entry; that is between four and five years of age. We started that in May of this year.

In order to cover the older children we participated in the activities of Measles Elimination Month organised by the Pan American Health Organisation during May, 1991, and gave the booster to all school children. We covered 85 per cent of them. The defaulters are being followed up. Although we do not have any measles cases this year, we are taking necessary steps to ensure its prevention in the future. Tomorrow we are having a Measles surveillance meeting for all doctors and nurses at the Radisson Hotel sponsored by the Pan American Health Organisation (PAHO) to have all health care workers be aware of their role in the Measles Elimination Programme.

Although influenza of a particular strain is not a problem in the Cayman Islands, one serious case can lead to the death of a young child. As the bacteria are prevalent locally and the new vaccine now available can be given during the first six months of life, we decided to offer this vaccine to all children below two years and to all new born, thereafter, from the coming year at a cost of approximately \$30,000 per year through the Public Health Programmes in the Budget.

As Members should be aware from the press reports, we have offered flu vaccine during 1990 and 1991. So far we have given some 500 doses this year and we are getting some more because of the popular demand.

On AIDS, and Members are aware that under the National AIDS

Plan, the AIDS statistics are reported quarterly in the local newspapers and submitted to Caribbean Epidemiology Centre (CAREC) and the PAHO. The cases and HIV infections have been on the increase. So far we have had 11 full blown AIDS cases with nine deaths and this is from the inception of the disease. There were 11 other residents who have tested HIV positive of whom six are living on the Islands and since this is a behavioral disease, we have continued our education efforts taking the information and educational packages into the work places in the Island. We have developed educational materials, such as leaflets, pens, key chains, with the view of creating as much awareness as possible. We have produced a Pirates gift with appropriate information for the prevention of AIDS. We have conducted a series of seminars for all levels of health care workers with a view of offering better care to patients and families and we have extended the seminars to Fire, Prison and Police Officers.

On the eve of World's Day, which is December 1st, an AIDS Awareness Week, which is December 1st to the 17th, we intend once again to mount the campaign, send information leaflets through mail boxes, hospital district clinics, private offices and public health outlets. The leaflets this year also contain a questionnaire to be returned anonymously to get an assessment of the awareness status of the public to modify our educational programmes, if necessary.

The Government is committed to taking all steps necessary to provide comfort to the unfortunate HIV positives or AIDS patients and their families. The local medical care is offered to them at no cost. With those kinds of programmes in place, the First Elected Member for Bodden Town claims that what the country needs is a good primary health care programme. The Cayman Islands has one of the best, if not the best, primary health care programmes in the free world with all of our immunisations, about 95 per cent and the other five per cent being because the American residents here refuse to have their children take the BCG vaccine.

Members will see from the Budget that we have included funds in my Portfolio to deal with Public Health Legislation. The 1981 Public Health Law, is in many respects worse than the 1974 Law, in terms of its enforcement mechanisms. We need a new law to clearly separate Public Health as it pertains to disease surveillance and health promotion and all the international health care regulations as different to those which concern sanitation and waste management.

We are presently drafting regulations on food handling, occupational health, water quality, smoking, the prohibition of smoking in public buildings, tenement housing requirements, in terms of the accommodations needed from the Public Health point of view to rent places to the public. In 1992 we hope to complete the establishment of what is now the Environmental Health Unit as a department of Government to be called the Sanitation and Waste Management Department under the Director or Chief Officer, whatever he is finally called.

In terms of the Health Authority the money is in the Budget as a grant, as I said earlier. We are confident we can maintain the quality and quantity of Healthcare. We are confident we can make the necessary improvements, we are in the process of introducing various management systems to improve cost effectiveness and efficiency. This week the Chairpersons of the various facility committees for the design of the new hospital signed off on a set of plans so that the preliminary design is final and now they can convert that preliminary design to construction drawings which a contractor can read to build the building.

We had a public presentation at the Hospital where we invited the facility committees, members of committees and boards which serve under my Portfolio, and I think it is fair to say that most, if not all, of the comments received after having a presentation on the plan were very good ones and very favourable, indeed. The staff have worked very hard to give their input into the development of those plans. The core planning group twice a week on a regular basis to review input, the Client Committee (which I Chair) met every Monday at 3:00 o'clock for the last several weeks to review the work that had been done the week before and to review the work plan for the coming weeks.

I am confident that the new hospital to be built will serve the needs of Caymanians for many, many years to come. It will be a place to which we can attract young Caymanians to enter the field of medicine, at all levels, a facility to which we can attract even a higher quality expatriate medical personnel than the high quality ones that we now have.

The other major programme under my responsibility is the National Health Insurance Bill, which is currently before the public for input to be given to my Portfolio by the 17th of January, 1992, in order to allow any necessary re-drafting of the bill to bring it before this Honourable House in March, next year.

We expect in the interim period of getting the legislation through parliament to set up administratively under the Superintendent of Insurance, who is named as the Commissioner of the Health Insurance Commission in the law, and to start gathering the information and statistics that they need for the actuary to set up the premium for the basic plan that is proposed with the hope of finalising those regulations and that basic plan and its cost for tabling in this House and presentation to parliament in June. All of the regulations under the bill are subject to the affirmative resolution of parliament.

Then we would envisage one year from the 1st of July, 1992, until the 1st of July, 1993, to get the programme fully implemented before the punitive measures of the law come into effect. I think that is ample time for the public to get the programmes in place because in spite of the noises being made by the Cayman Islands Medical and Dental Society, we have gotten good comments from the Health Insurance industry itself.

Maybe I should just take the time to read some of these for Honourable Members so as to take the sting, so to speak, out of the CIMDS unfortunate press release. We have one from John Eldon Life Insurance and this is what it says: "Further to our recent discussions we have reviewed the proposed legislation for the Cayman Islands Health Insurance Plan. Enclosed an actuarial and administrative

assessment which is our belief that the plan is well conceived and feasible.". Of course, the Chamber of Commerce wanted more time, well they have more time now.

We received valuable input on the draft from the Honourable Attorney General. We received input from the Accountant General, from Foster and Higgins (a well known Actuarial and Insurance firm) and this is what they say, Madam Speaker. "I believe the proposed legislation creates a modest plan providing reasonable benefits against catastrophic illness requiring hospitalisation. As well the mandatory requirement is the only way to solve the above mentioned problems.". The two problems they identified were not with the Health Insurance Plan; they were with the local hospital which is saddled with too many bad debt claims falling to the public coffers as payers of last resort. Private businesses have no incentive to provide any form of health insurance. Some employers provide a private plan and some do not which creates an uneven playing field.

From Anchor Benefit Consulting Incorporated: "We have also reviewed this plan to determine the feasibility of developing administrative systems to provide British American with the capacity to service the plan. The structure of the proposed plan lends itself to administrative efficiencies. There will be no difficulty in installing these systems in the event of a January 1st, 1992, implementation date."

Madam Speaker, those are the comments from the people that know what health insurance is all about. Let us look at the comments from the CIMDS and there are some 25 comments contained in this, several of them do not refer to the health insurance at all but to the Health Authority. I met with these people on the 14th of October from 5:30 in the evening until 9:30 at night. We went through every single point of their proposal and I explained to them how it was accommodated in law. I then sat down and listened to two alternative plans from them and gave them my comments on those. I will deal with their alternative plans in a minute, but just look at a few of these: "Under section five of the draft the committee noted that a part of the premium paid to the private insurance companies will be channeled to a fund controlled by the Health Authority for use for investments, etcetera. The committee is now clear as to why the Health Authority needed this fund, was it a guise to service the loan for the new hospital? "

Madam Speaker, that fund is one of the options that was given in the draft to the health insurance industry where we gave him three options to respond to us with on how to handle the so called uninsurable. One, was a creation of a fund to which they would all pay a certain amount in to. Which is that fund. Two, they could decide if there were a 100 uninsurable and there were 10 companies, each would take 10. Or they could offer a window of opportunity twice a year for a two week period where anyone who applied for health insurance must be covered. Members will note from the recent draft that is being circulated, that most of the insurance companies have opted for the fund.

Under section 13, the committee noted that any monies payable to the Health Insurance Commission in respect of health care insurance shall be paid into revenue account of the Government. The committee asked why insurance proceeds were being paid into general revenue account? In our discussion with the Member, we were given to understand that the Government did not wish to get involved with health insurance monies.

You see, Madam Speaker, they are admitting, because before this long meeting I had another two hour meeting with them to discuss the plan that I gave on the review. Do you know what they are talking about here, Madam Speaker? Licence fees paid to the Health Insurance Commission to be an approved insurance broker. Now, if Government is going to provide the personnel to vet these applications, should not the licence go into the Government revenue? They are the licensees.

Item 11, and this is the crux of the matter. The basic package has major flaws. It does not cover the following. Outpatient visits, medications, dental and eye care, over-seas air ambulance evacuations, professional fees of physicians not working for the Health Authority, mental illness coverage as an out-patient limited to drug and alcohol abuse and only for psychotic conditions. I never suggested that what we were trying to do with the National Health Insurance Bill was to force major medical. The legislation that is proposed does not force anyone to buy only the basic package. They must have at least that, but they can buy anything they want above it. They can buy all of this but they are going to pay for it.

They are interested in having the premium so high that the public cannot bear it and then the programme will not work.

MADAM SPEAKER: Would you take the suspension at this time?

HON. D. EZZARD MILLER: I would just like to read their summary, Madam Speaker, so I can finish with their representation on the present bill. This is their summary. The Cayman Islands Medical and Dental Society as a body has a professional and moral obligation to inform the Government and people that their major flaws and short-falls in the proposed health insurance plan as presented to them by the Government. Moreover the Government has ignored lessons learned elsewhere in the world about health care. In a nutshell we as a professional body reject the proposed health insurance plan in its present form. We request the Government to consider an alternate health insurance plan, and I will deal with those two alternates after lunch, Madam Speaker.

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

THE HOUSE SUSPENDED AT 12:58 P.M.

THE HOUSE RESUMED AT 2:22 P.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed, the Honourable Elected Member for Health and Social Services.

HON. D. EZZARD MILLER:

Thank you, Madam Speaker. Before we took the lunch break I was dealing with the representation received from the Cayman Islands Medical and Dental Society on the health plan proposed by the committee which was studying the health insurance and I had pointed out some of their objections and the fact that I had met with them over several hours to explain their concerns and then I listened to two alternative proposals presented by the CIMDS.

I think it is even important to note that at that stage that the Executive, itself, had two proposals and could not agree on which of the two alternatives to put forward. One member of the executive plan was a straight socialised medical plan with a sales tax on goods to fund health care totally and everybody contribute equally, whether you were healthy, wealthy, sick or poor.

I pointed out to that member that I do not think it would be wise for the Government to attempt to introduce that kind of direct taxation in the financial environment in which the Cayman economy has grown up. He was rather boisterous and adamant in his charges against the present Government and I simply listened to him and when he was finished I told him that I was confident that the Government would not consider such a plan and that my mandate was to make a plan that the Government had put out, the best possible plan.

Another member of the executive proposed another alternative and it is a very short alternative and I would like to read it in its entirety so that people can understand the kind of input I received. It is entitled:

"Alterative Plan of Health Coverage in the Cayman Islands.

A proud country is one which provides basic and affordable health care for all its people irrespective of age, sex, socio economic and health status.

If this concept is put to a referendum or poll, the majority of the people would endorse it. The proposed plan (which is the Government's plan) has taken into consideration lessons learned from different health care systems. From totally private enterprise, as in the United States of America, to the other extreme where health care is run by a national health scheme funded from general revenue account.

An alternate form of health care, different from total private enterprise should be considered seriously in the Cayman Islands. This has been conformed in the United States of America where 37 million Americans have no health coverage due to high costs.

The Government should realise that a healthy population is an asset to the country.

Funding for this Proposed Plan: A uniform health care levy paid by all residents to a Health Insurance Commission Authority, the board of which consists of professionals and representations of a cross section of people of these islands.

The Health Insurance Commission could also supplement its revenue by having periodic fund raisers and even an national lottery. This supplemental income could be used for paying the levy for the indigent people, assist people who need marginal support in paying the health levy and also for up-grading equipment and facilities.

A further source of income would be from user fees. These supplemental sources of funding would cut down Government funding or subsidising health care in the long run.

The Government could then deposit a good part of its present subsidies into a separate account for a new hospital which over three to four years will add to a reasonable down-payment for a new hospital complex. The Health Authority thus have a less loan to service making it a more viable concern.

Advantages:

- 1) Coverage for the entire population.
- 2) Elimination of a middle man with a profit motive - private insurance.
- 3) Elimination of one layer of administrative expense - insurance companies.
- 4) Any profits made by the Health Insurance Commission can be returned into the system for improvement of facilities and up-grade equipment.
- 5) The population will be more supportive to pay into a system with a non-profit motive.
- 6) This mandatory levy may be represented as a tax, this is no different from the mandatory insurance by the present Government.
- 7) A more comprehensive coverage including office visits are provided. This covers people with chronic illnesses who can have regular follow-up visits for only a nominal charge.
- 8) A different kind of health coverage or insurance would be in place for a few years before the Health Authority assumes debt for building a new hospital complex. It will have a cash flow system in place for its operational expenses and loan obligations.

Disadvantages:

- 1) Likelihood of misuse of the system.
This could be overcome by a small co-payment user fee for out-patient services like office visits, medications, etcetera.
- 2) All employees of the system have to get motivated to work as a team making it a cost effective venture.
- 3) The inconvenience of having to use the present hospital until such time as a new hospital is economically feasible."

Now, Madam Speaker, can the public and this country accept a plan that could be the case, granted it might be an extreme case, that we have somebody needing to be sent to the Cleveland Clinic and we have to tell them we cannot send you tonight. We have to wait until tomorrow night because we need to have a fund raiser at the Lions Centre. Is that any system on which a Government should plan its health care delivery? Or that somebody won the ticket at a national lottery and wiped it out this week, so we do not have any money to send you? These are the same people who told the press their concern about the present plan is that it is going to control their industry. What do they think a socialised form of medicine does?

The *Caymanian Compass* will continue to give people like them headlines to sell their newspapers because from a paragraph on the front page of Thursday, 21st November, 1991, it is fairly obvious what the editor and staff at the Chamber of Commerce thinks about the present Government. I quote and it is under the caption MLAs raise questions: "Question time, when Members of the House probe both elected and official members of ExCo to find out what they have, or have not, been doing, and when Exco members try and give the appearance of having been extremely active, was an even tempered affair when the Legislative Assembly resumed on Wednesday, 20 November."

Madam Speaker, the rules of Parliament prohibit Members from trying to give an appearance or to mislead the House. I believe it is fair to say that any Member of Executive Council answering questions is always fair and factual and does not need to pretend or to give answers which might indicate that they are doing things they are not doing. The record of all Members of this Council, both Official and Elected, does not substantiate that kind of a statement by any media in this country.

Now, Madam Speaker, contained in the detailed estimates for my Portfolio under the new format, Members will find detailed statements from the Portfolio. Under Head 28 Administration Health and Social Services: Ambit of the Vote, Mission Statement of the Portfolio, a Review of the 1991 Achievements, an Outline Plan of the objectives for 1992, and how the performance targets and indicators will be measured. The same is true for Head 29 Medical Health Services, that part of the information is contained in the Budget document even though Members will see that in the line item all of the figures are zero because the Health Authority is being given a grant in 1992.

I would just like to highlight one or two items from those objectives of the detailed estimates. In the Environmental Health Department, Members are aware that we have an on-going consultancy to come up with a long-term plan for the treatment of solid waste in the three Islands. We expect in 1992 to implement phase one of that long-term plan and also contained in the detailed items of the estimates is a compactor to be used on the present land fill site in George Town. We hope to get some additional use from the existing site to take us in to early 1994, and that is why we have budgeted for the new sanitary land fill in Grand Cayman to be prepared in 1993.

I hope that the First Elected Member for Bodden Town, if he succeeds in getting on Executive Council, will look favourably at a plan to prepare a proper land-fill site in George Town.

Members will find in the Budget under 1992, funds to prepare a new site in Cayman Brac of \$260,000 and a sum of \$91,000 to close the existing sites because they have to be closed properly in terms of the amount of fill in which they are covered to meet international environmental health standards. It is hoped that with the site in Little Cayman, which we have identified on Government property adjacent on the north side of the light plant, the road and the sanitary land-fill can be moved this year because there are some funds in this year's Budget in Cayman Brac for the land-fill site in Little Cayman.

Other improvements planned in 1992 for the Environmental Health Department is the completion of the new quarters for the sanitarians, storage and cleaning areas for the garbage trucks on the new land-fill site, purchased by Government last year.

The Environmental Health Department will also be involved in water quality, regulations, regulations on tenement housing, noise pollution regulations. We have conducted some preliminary tests in some of the local industries and found the noise levels to be high and in some cases a minor, if not a major threat to health in terms of ones hearing ability so we are trying to write some standards for those as well. Of course, they will continue their excellent service for the pick-up and disposal of garbage and the monitoring of the environment.

The new Public Health Legislation, as I said earlier, will also address the needs of areas for sanitation and environmental control. Under the Social Services Department, Members will find the plans for 1992, both Clinical and Administrative. We hope to implement the Youth Services Review which should be received by Government in early December in order to provide a comprehensive programme for troubled youth in this country and that could in itself entail some amendments to the 1990 Juvenile Law.

Under the Housing Development Corporation (HDC) we intend to continue to encourage the financial community to subscribe to the Housing Development Corporation Bond

which is not entirely a charitable contribution at the present time. It is set at 7.5 per cent and guaranteed by the Cayman Islands Government and these days of low interest rates it is not that terrible an investment.

In fact, with the assistance of the Environmental Health, the Board of the HDC has prepared a presentation to which we are inviting selected members of the community to attend luncheon presentations to bring forth to them very vividly the need for low cost housing in Cayman.

In summary, I would say that the 1992 Budget is a good budget. It deals with those necessary recurrent and capital needs of the country on a priority basis within the resources available. The Government has not shied away from its responsibility to balance the budget by the introduction of the necessary revenue measures to raise \$9 to \$10 million and said that while it may not be necessary to do so, if it becomes necessary it will place the required request before this Honourable House to do.

That I believe is responsible Government. The Backbenchers on the other hand are always quick to demand services of the Government. Always quick to ask for expenditure and then they refuse to vote for the necessary revenue measures to fund those expenditures. Even if they wanted to criticise the quantities, the areas that revenue might be increased on, even if they want to suggest that it might have been done on a different area, they could offer such constructive criticism, yet, be responsible to their honourable positions and vote for the budget revenue measures because we cannot spend money on their behalf, on the projects that they wish.

They believe quite firmly in their own mind that the only requests that generate expenditure is those brought forward by the Members of Executive Council. When they make the demands they are not involved in expenditure but that is not being entirely responsible. I sat on the Backbench for four years and I criticised the Government, very heavily in many areas, but I always voted responsibly. Many times, having criticised the Government on a matter, I voted with the Government in the interest of the country and I did not do what they have done since 1988 and that is, vote collectively against almost everything, certainly anything of any significance, and vote only on political expedience with a constant request to resign and a constant threat to put the country in turmoil by over-throwing the Government.

Madam Speaker, I support the 1992 Budget and the Appropriation Bill. Thank you.

MADAM SPEAKER:

(PAUSE) It would appear as if I would have to call on the Honourable First Official Member to wind up the debate on the Budget Address, if no other Member wishes to continue. Mr. John Jefferson, the Third Elected Member for West Bay would you?

MR. JOHN D. JEFFERSON, JR.:

Thank you, Madam Speaker. I really could not let this opportunity pass to speak. Madam Speaker, let me start by saying that in my three years as a Member of this House that this is the worse budget that I have seen presented.

In order to appreciate the significance of this Budget I think we have got to recognise the environment which now exists in the Cayman Islands. At the present time, and I try to get some current statistics, but they are not available, unemployment the latest figure we have is running about 2.6 per cent and I believe that it is much higher than that at the present time.

Many of our people are out of work. Those who are working, especially those who are hourly paid, are not getting the hours to enable them to earn sufficient money to meet their demands and needs. Things are tough at the present time in the labour market. I have had members from my district visit me and say, "John, I have gone from one end of this country to the other looking for a job and I cannot find one". So, things are not well in the employment area.

According to our latest statistics our tourist air arrivals are down about five per cent and this is a direct result of the fact that the U.S. and many of the other nations are presently experiencing a financial or economic recession and people do not have the money, the discretionary income, for travel. Anything that affects the other countries, especially the United States, affects us here in the Cayman Islands.

We live in an environment of growing inflation. According to the latest statistics at the end of September it was around 9 per cent and it is projected to be 10.4 per cent by the end of 1992 and this is the highest that inflation has been for quite some time. It is caused mainly by Government's recently introduced tax measures. That is the \$10 million that was introduced in 1990 and I would dare say when the effects of the present revenue measures are felt that inflation will probably be much higher than it is projected, that is the 10.4 per cent.

The excuse that Government used last year for introducing its revenue measures was that it had to find money to pay civil servants. I support the Civil Service 100 per cent but even civil servants are reasonable people. They suggested even though they recognised that an increase was due them, they recognise the fact that Government has limited resources to work with and they recommended that the increase be put into effect over a two to three year period. But no, the Government once again, not being prepared to listen went ahead, offered the Civil Service the 22 per cent on one hand and took it back on the other hand through a tax package of \$10 million. Civil servants are worse off today than they were before they got the raise. If you do not believe that, go ask them.

The other significant factor that we are faced with in this country at the present time is the fact that we live in an environment of the declining Government revenue and uncontrolled Government expenditure.

Since my election in 1988, I have been preaching that Government and the success of Government in the past has been its ability to live within its limited resources. In other words, you spend no more than you can generate in revenue. But this has not happened. Revenue has been creeping along very slowly, as far as the annual increases, and has not been keeping pace with the level of

expenditure. To give you an idea of what I am talking about on page 40 of the Statistical Abstract for 1990, it basically outlines Government's financial position and to give you an idea as to the growth in revenue as compared to expenditure I would just like to quote some figures from a few years.

In 1989, recurrent revenue was 95.9 per cent which represented a 12.8 per cent increase over the previous year of 1988. For the same period, recurrent expenditure was 81.1 per cent which was a 13.4 per cent increase over 1988. But listen to this, between 1989 and 1990, Government's revenue rose to \$101.8 million which represented a 6.2 per cent increase over 1989. On the other hand Government's recurrent expenditure increased from \$81.1 million to \$103 million which represents a 23.5 per cent increase over the previous year.

It does not take you very long with those kind of disparities for the cushion between Government's revenue and Government's recurrent expenditure to close. We have always been in a position where we generated more recurrent revenue than we had recurrent expenditure. There was always, at least in most cases, there was always a surplus which meant you had excess funds then that you could contribute towards your capital budget.

In 1991, Government's recurrent revenue was estimated to be \$110.2 million which represented a 8.3 per cent increase over 1990 and Government's expenditure rose from \$103 to \$109.7 million which represented 6.5 per cent increase. In 1990, when the disparity was so great, Government's recurrent expenditure basically amounted to the estimated revenue for that year. This was why the Government found it necessary to introduce the tax package that they did just last week in order to try to correct their mistakes in the past in not controlling recurrent expenditure. That is a painful lesson or those are painful measures for the people of this country for mistakes that were made by the Elected Members of Executive Council.

We also at the present time, Madam Speaker, live in an environment of unprecedented Government borrowings. At the end of 1991, those borrowings amounted to approximately \$42.3 million. That seemed to be the philosophy of this present Government. If you do not have the money to do a project, you go out and borrow it. We do not have to worry about where money comes from to repay these loans - let us just borrow it. Let us get our pet projects in place and let somebody else pick up the tab for these commitments. In my mind this is a very irresponsible attitude.

To give just an idea of the borrowings, according to the statistics here, in 1989 Government borrowed \$4.6 million. In 1990, if I recall correctly, 1990, was the year that the Backbench took the budget from them and we allowed borrowings of less than a million dollars. In 1991, after they had rigged Finance Committee they went out and they borrowed \$13.3 million, that is every penny that was necessary to fund the capital programme.

It would be bad enough if there was an end in site as far as Government's borrowings are concerned, but Government has no intentions of correcting their mistakes of the past because the Member for Health in his contribution, yesterday and today, made it plain in no uncertain terms that Government is going to go out and borrow another \$16 to \$20 million for his hospital in the pond.

This morning we tried to get the Member for Communication and Works to give us some idea of what they are going to need for their roads programme, but that is coming, Madam Speaker. By the end of this Government's term in office, that is next year, November, Government's borrowings could in be in the region of \$100 million, easy. To make things worse, in the process Government has basically depleted Government's reserves. That is, those funds that are put aside to take care of Government commitments on a rainy day - if it rains now, there are not going to be funds available for any commitments.

To give you an idea of how much Government's reserves have been depleted over the past three years, in 1988 Government reserves stood at \$19.8 million. In 1989, it stood at \$18.2 million, in 1990 in an attempt to balance the budget they transferred funds from reserves and at the end of 1990, it stood at \$12 million. We are told that in order to balance the budget for 1992, over \$3 million will be transferred from reserves which will reduce Government's reserves to just over \$9 million. Which, according to my information is less than one month of Government's expenditure. We do not have much to fall back on is this country gets in problems and that is the whole reason for the reserves.

We also live in an environment of unprecedented levels of taxation. In 1990, Government introduced \$10 million in new tax measures and I was really surprised last week when they introduced their recent tax measures to take another \$9 or \$10 million out of the economy in order to balance their budget. Like I said before, the whole world is experiencing a recession but let us look at some of the measures that those countries are taking in order to deal with their recession.

In the United States, President Bush is prodding the Federal Reserves to lower interest rates. That is rates that they charge to banks which in turn only loan those funds to members of the public. In other words, make money more easily available to generate economic activity. In addition to that, rather than increase taxes, you cut taxes. I have never heard and it goes against economic principles that you increase taxes in a middle of a recession because the whole concern at that stage is that you want to get economic activity going again and you do not do that by increasing taxes.

With the economist that they have on the other side, that is the Member for Communication and Works and the Member for Health, I can understand why they raise taxes rather than cutting them. In times of recession one of the first things that you start doing is that you start tightening your belt on expenditure. I was talking to a resident from my district and he said, "John, three or five years ago I was making a great deal of money and I was in the position where I could take three, four, five vacations a year because I had money to spend. Now, I am barely making enough to keep my head above water." What did he have to do? He had to adjust to a life-style according to his income.

Government does not seem to recognise this, Madam Speaker, because rather than trying to tighten the belt on expenditure, it is going ahead as if there is no tomorrow. One of

the reasons behind what it is doing (knowing that its chance of being re-elected in this House is so slim) is to create such a mess for any new Government coming in. They have made that known. That is the whole idea.

The Member for Health, he is going to get that hospital started in the swamp, if he has to start that himself. In a time of recession what Government should be in a position now to do is to spend money that they have saved during the years of plenty like Moses commanded the Egyptians to do when he was Governor. He said there is going to be seven years of plenty, so you make sure that you save and you put in reserves something because after that there is going to be seven years of famine, and you are going to need it.

Government should be in a position now where they are able to spend funds on capital projects in order to create employment. But they are not in that position. They have to go out to borrow money for their capital projects to create employment. All that does, that further exaggerates the position because where does Government borrow its money from? The same place you and I borrow - banks. If Government gets in there first it means there is that much less for you and I to get. It is not a pretty position at all. This Government's Administration leaves much to be desired.

I just told you the course of actions that most countries take in times of recession. Let us look at what this Government has done in a time of recession. Rather than cut taxes, they raised them. As a matter of fact, \$20 million within 16 months! What is this going to do, what is going to be the effect of this? Rather than increasing or generating economic activity it is going to further delay or dampen the activity. Rather than tightening its belt financially, Government has continued to plod along as if they have no regard for expenditure. Government intends to continue to move forward in increasing its public borrowings.

The Member for Health is going to need his \$20 million for his hospital which cannot be financed out of local revenue. It has to be borrowed. The kind of project he is talking about, we do not have that kind of recurrent revenue to take care of it. The project he is putting forward is neither practical or affordable. I am not saying that this country does not need proper health care facilities. But let us provide facilities that are practical and affordable.

There was a question asked here yesterday morning about the cost of filling the pond for the hospital and it was mentioned that the cost was just over a million dollars. I am not sure who gave him that estimate but I can assure you I have spoken to people who are in that business and the estimate is in the region of \$3 to \$4 million - could be more, depending on the depth of that pond. That is the money that is going to be required just to put that foundation in. If the Member for Health used those funds and concentrated on the present site the present facilities could be improved to the level that they need to be in order to take care of the health needs of our people for many years to come. He is one who has to have his way and unfortunately he has the Member for Cayman Brac who he can count on and I am going to deal with him a little later on, too.

The Member for Education is going to need something in the region of about \$32 million to put in his Education programme. I support Education but I can tell you right now we need more than buildings. Buildings are not going to improve our educational system. I do not know what we are going to need to borrow but we are going to need some amount. I wish I knew what the amount was. We are going to need some money to settle our obligations on Cayman Airways. I have been talking to people who are investors in this country and it kind of surprised me but the major concern right now is our obligation toward Cayman Airways. They do not know what the amount is and I trust the Member is able, through his professionals, to resolve the situation and as quickly as possible and hopefully as inexpensive as possible because our obligation to Cayman Airways is a major concern at the present time in this country.

The Member for Health yesterday tried or attempted to blame the Financial Secretary for the revenue measures. I do not know who he is fooling, Madam Speaker, he is not fooling me. He is not fooling any Member of this House because the policy makers who are the four Elected Members of Executive Council dictate policy in this country and if the Financial Secretary had brought those measures and they had decided to go against it they had the votes to stop it. All he did was present Government's position and that is the Elected Member's of Executive Council.

They were shrewd on the items they chose to raise taxes on. Most of the items were on items such as cigarettes, liquor, wine, champagne and which is known as a sin tax. I would be the first to say that I do not indulge in those things, I do not encourage anybody else to do it but raising taxes on cigarettes or liquor is not going to in anyway diminish the consumption of those items. What is going to be the final effect is that, the bread winner who is a smoker, the bread winner, who, on the week-end, is going to have his bottle is still going to have his bottle and rather than paying \$25, it is going to cost him \$50 now.

So what happens? It just means that there is less money to take care of the financial needs of his family. That is going to be the effect. Diesel - they raised the price of diesel by 100 per cent. Caribbean Utilities (CUC) jumped on that right away. It gives them another excuse for increasing utility rates in this country. According to my calculation, Madam Speaker, commercial rates are going to increase between 15 and 18 per cent and the average consumer, the resident, his rates are going to be increased by 13 per cent. All that CUC is going to do is pass that increase right on to the consumer.

All this does is to further increase the cost of living in this country. The group that I really feel sorry for are our people who are employed in transportation. The majority of their vehicles, that is your taxi drivers, your tour bus operators, the majority of their vehicles use diesel and the reason why they bought them in the first place was that it was cheaper to operate a diesel driven vehicle than gas. This is going to really hurt our people who are involved in that sector of our labour market.

One of the problems that this Government has is setting proper priorities. When you have limited resources one of the things that is necessary is for you to itemize those services and needs which are greatest and ensure that your limited resources are used to take care of the most essential

needs.

I was a little surprised when I looked through the Budget and saw that Government this year was reducing sports grants from \$186,000 to \$150,000. Over the past year, I would say, we have seen more articles in the newspaper and we have heard more about the lack of proper sporting facilities in this country than probably anytime in our history. Every year these associations be it basketball, football or netball, they depend on the little grant from Government to help them cover their expenses. All that is going to happen, even though more people are involved in sports there is going to be less money available to go around.

It shows you where Government has its priorities because we all acknowledge the fact that sports plays a very important role in providing wholesome activities for our young people and it gives our young people an alternative to drug abuse. Rather than cutting the budget for such items, Government should have increased the support that it offers these associations and not only that, rather than seeing \$67 or \$68,000 in the Budget for the Jennet L continuing and some of the other capital projects the Government is proposing for 1992, I would have been happier to see a provision in the Budget for establishing or constructing proper sporting facilities in this country.

We need an indoor facility right now for such sports as volleyball, netball, basketball, badminton and a number of the other sporting activities could be housed in the same facility but as long as the Member for Education is in charge of sports that is not going to happen. His Shadow Minister, that is the First Elected Member for West Bay, when he takes over that Portfolio we will give our people proper sporting facilities.

When you look on the capital side of the Budget the picture is even worse. What baffles me is the District of West Bay has a Member on Executive Council and out of a capital budget of millions of dollars, we have \$94,000 in the Budget for roads. Just two weeks ago I received a call saying we had a meeting with the Member for Communication and Works to once again tour our district and point out to him and Public Works the road needs of our district. The First Elected Member and myself made ourselves available, went out and spent two or three hours with him and his entourage touring the district, once again pointing out to him those roads which were need of repairs and the only good thing that came out of that tour was that he took us to lunch at Liberties. So I had a good conch dinner, Madam Speaker, and I knew that was all we were going to get.

What is amusing is the fact that all those roads that we asked him about and pointed out to him that needed repairs, none of them are being done or scheduled for repairs in 1992. But they are scheduled for 1993. To name a few, on page 449 of the Estimates, it has here "Road off Boatswain Bay Road Resurfacing \$4,500 - 1993, Birch Tree Hill Road Resurfacing \$36,100 - 1993, Captain Shelby Private Subdivision Drive \$70,000 - 1993." Let me stop right there.

This Government has been accusing the Members of the Backbench for pushing or requesting a assistance for private driveways or private roads. This road here for Captain Shelby, is not for Captain Shelby but he has agreed for the road to go through a part of his property in order to give people behind him access to the outside world. People who, when it rains, need a boat to get out because the roads to their roads are flooded or under water. It was not possible for us to get them in 1992, but they are scheduled for 1993.

I can assure that Member that our people, that is the people of West Bay, are going to get their roads. If they do not get them in 1992, they will get them in 1993 but not from the Member of Communication and Works. When we are in a position where we control the Government and take care of the needs of the people, rather than spending, like this Government has done over the past two or three years, spending millions of dollars on consultants reports which were never used, those funds, if they had been used wisely, could have taken care of a lot of the needs that we have in this country.

I have nothing against the people of Cayman Brac or Little Cayman, I really do not. I was fortunate enough to have visited there twice and I love Cayman Brac. It is peaceful, it is quiet and it reminds me of the Grand Cayman of 20 years ago. When you come to Government budgeting and there is a provision for \$496,000 for roads in Cayman Brac out of a budgeted provision of \$927,000, and which represents a 53.5 per cent of the budgeted figure, there is something wrong. There is something wrong.

I know and I recognise Government's expenditure is necessary to keep employment going in Cayman Brac and Little Cayman. That is a fact of life but let us be reasonable. Let us share the limited resources that we have. Let us share them around a little more equally. But you know why those provisions are put in the Budget. Anytime they come up with a pet project, which they know the Backbench is not going to support, they can always count on the First Elected Member for Cayman Brac's support. Be it good or bad.

I do not want to give people the wrong impression, especially the people of Cayman Brac and Little Cayman, but they are reasonable and practical people. Let us make sure that some of the other districts get something from Government's budgeted funds. It is a responsibility of Government to take care and protect and represent the welfare of all of its citizens, not only a few. That is part of our problem in this country. Even though things are slow, if what activity that exists was equally shared and distributed among those people in this country who are involved in those areas, things would not be too bad.

When you look at the construction side of things, there is something definitely wrong. Why is it that people, like Jimmy Powell, who is a Caymanian, who is one of the best local contractors around, why is it that people like himself and others, Heber Arch and all the other Caymanians, cannot get a portion of those contracts which are awarded by Government and the other members of the private sector? No, they all go to one firm and I hear it every day.

You have electricians, plumbers, masons, carpenters, with 10, 20 years experience, who, at the present time are unemployed because they cannot find something to do. If you go

and look at some of these sites, of these so-called Caymanian companies and there is hardly a face that you can recognise. What should Government's policy be? In time of recession, when our people are unemployed, Government should make every effort to ensure that those people find something to do. But no, they continue to hand out work permits in areas where you have Caymanians right here sitting on their hands and cannot find something to do.

Madam Speaker, the days of the little man have been forgotten.

MADAM SPEAKER:
suspended for 15 minutes.

Would you take a suspension at this time? The House will be

HOUSE SUSPENDED AT 3:43 P.M.

HOUSE RESUMED AT 4:04 P.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed. The Third Elected Member for West Bay continuing the debate on the Budget Address.

MR. JOHN D. JEFFERSON, JR.: Madam Speaker, when we took the afternoon break I was dealing with Government's responsibility to represent the welfare of all Caymanians and not a favoured few and also I mentioned the fact that it appears that this Government is a Government of special interest groups and that only certain firms are able to get contracts while other well known Caymanians cannot find something to do.

I would like to congratulate the First Official Member and his team on the efforts and measures that they have taken in an attempt to improve the system and to put in place the proper controls and machinery to ensure that Government's financial activities are conducted in a professional and efficient manner.

One of the exercises which have been undertaken by the Department of Finance is the Manpower Survey. I thought that was a very important and useful exercise and there are many very useful recommendations put forward in that survey but one of the observations that really caught my eye was the fact that they feel, that is the team that conducted the survey, that Government has to be much more forceful and see to it that proper measures are taken to ensure that our Caymanian people are exposed to higher training in an attempt to improve their qualifications so as to be in a position someday to fill some of the senior posts in this country which are presently being filled by foreign contracted officers.

One of the recommendations was that a special unit be established for this purpose and I was pleased to hear that Government had agreed with this recommendation and that the process is now in place to establish this unit which will be responsible for ensuring that Caymanians are trained.

I must say that the opportunities available, that is to further ones education, or to improve ones skills are much better than was available when myself and many Members of this House were growing up. I recall when I decided that I wanted to go off for higher education. It took a lot of commitment and personal sacrifice on the part of my father to ensure that the funds were available for my education. The amusing thing about it is that back in those days the Member for Education now, was the Member for Education then. He was in charge of scholarships, but people like myself did not have a chance of getting a scholarship. But my parents were prepared to make the sacrifice and I was able to get an education.

After Government saw that I was going to make it anyway, they decided to give me US \$500 per annum as a grant to assist, but today there is no excuse for Caymanians, be they rich or poor, who has the ability and the ambition to further their skills, not to be in a position to do so. Our Government has to be in the position where funds are available by way of scholarships, loans or the private sector. The financial community also has provisions in place for financial assistance, so there is really no excuse why our people cannot be properly trained. There is no excuse at all.

One of the problems that we have and I think this is where Government can be of some assistance, is that many of our young people are now going off to train and they are coming back qualified and they cannot find a job. I, for one, have no problem with anyone coming into this country. I think, and we recognise that we have always needed people from the outside to come in and fill very important positions because the skills were not present here among our local people. But there must be a gradual process of replacing the foreign contracted officer with our local Caymanians who will go off and qualify themselves and come back and have a desire to be of service to this country instead of the present policy of granting status to many of these officers who hold these positions and then refer to them as Caymanians.

This should be a top priority as far as this Government is concerned - training our people. I think personally that if you had qualified Caymanians in the class-room, you would not have half the problems you are having right now. As I understand it, one of the key problems is that you have teachers who are brought in to this country, who are intimidated that if they touch a child or try to discipline a child, that the parent or somebody else is going to come after them. Rather than doing anything about it, they let things slide. According to my information discipline, especially in the Middle and the High School, is very lacking.

I remember when I was going to school, and I am quite sure, Madam Speaker, you have had the same experience. I was terrified of my teachers. I had a lot of respect for my teachers and not only that, whenever I stepped out of line I had the kind of teachers who took you in the back-room and put a strap on your backside and corrected you and said, "John, this is not right, you should not be doing this." It hurt, Madam Speaker, but you appreciated the reason why they were doing it. That is one of the problems that we have at the present time. We have brought people in here who have different philosophies, different policies and

they are not in a position where they can control or maintain proper discipline in our schools.

I was appalled to hear recently that two teachers were actually physically beaten by two or three of the high-school students. This kind of action or behavior can not be tolerated. I think personally, unless we arrest the situation, it is not any good for Government or the private sector to make funds available by way of scholarships or loans because we will not be in a position where we are producing the caliber of student that we need who has the ability and the ambition to go on for further training.

Training of Caymanians should be a top priority as far as this Government is concerned. Another priority that this Government should be focusing on is an attempt to stimulate this economy instead of trying to further dampen the activity through taxation. Like I said, they must be practicing 'voodoo-nomics' because there is no way that you increase taxes in the middle of a recession. That does make economic sense.

What should be happening is that it should be recognised that we have two basic areas of activity in this country. That is banking, its related services and tourism. I mentioned before that and was also mentioned in the Budget Address, that our tourist air arrivals are down. I had a word with the Member the other day and I was surprised to hear how little cooperation or concern there exists as far as the private sector is concerned in getting or encouraging tourist arrivals in this country. In other words, things done to encourage people to come here rather than go to Jamaica or some of the other destinations.

I think personally, what has to be done is that we need to recognise the fact, and we have always mentioned the fact, that we are not catering to the average tourist, we are catering to the middle class tourist. If the tourist I have seen recently falls in that category of middle class, I am wrong because my observation is that the person who comes here is the type of person who works all year, attempts to make available on his credit card sufficient credit to visit the Cayman Islands for two, three, four or five days. If he can walk it, he walks rather than take a taxi, etcetera.

We have to recognise this. People do not have the discretionary funds or income available at the present time like they did before and we have all of the other destinations who are also competing for those tourist dollars. We have to make a concerted effort in this country to ensure that the Cayman Islands continue to get their fair share of tourists.

Some concerted effort must be made. That is a joint partnership between Government and the private sector, be it condominiums, hotels, restaurants, etcetera, etcetera in an attempt to put together an attractive package to entice visitors to the Cayman Islands. I understand that there are some in place and that is good, but at the present time when things are slow, when people are reluctant to travel, now is the time for us to increase that type of activity.

I think we have to recognise and according to recent press releases, and I am hoping the contrary is true. I am optimistic and I am hoping that we have a good tourist season. We need to have a good tourist season. We have had probably two or three bad tourist seasons in a row and with the dependents in this country on tourism and tourist related activities, we all need it. We all need it. So it is important for us to ensure that we are in a competitive position to continue to attract people to this country.

It is ridiculous to believe that the average person can come here and pay \$350 or \$400 a day for a condominium, spend a week to 10 days when he can go to Jamaica or one of the other destinations. What is significant is the fact that the average traveller, when you talk about the West Indies or the Caribbean, they are not well informed. If they want to come to the Caribbean they go to their travel agent and the chances are the travel agent will say here are your choices. You have Jamaica that you can go to for 10 days for \$350, airfare, accommodation, everything included or you can go to the Cayman Islands for \$350 per day. The average person does not have the knowledge to know that as far as the Cayman Islands are concerned is a safe and friendly environment, we have first class facilities. The average visitor does not have that kind of information available to him. So what does he do? He packs up and makes a commitment and says he is going to Jamaica for a week to 10 days for probably half of what it would cost him to visit the Cayman Islands.

I do not know how the hotels and condominium operators and owners feel but I believe it is better for them to have a full house, probably with a 20 per cent discount than to have rooms available unoccupied which people cannot afford to fill. There has to be a definite concerted effort in the area of tourism in order to reverse the trend that we see at the present time.

Every year we see cruise ship arrivals are up. The average air arrival visitor probably spends, I would dare say, three, four times what the cruise ship passenger who is here for a couple of hours spends. What is significant, is not numbers, as far as cruise ship passengers are concerned, but an increase in the number of our tourist arrivals. Where the cruise ship passenger is important is that they are here for a few hours a day, they go to the beach, they go on a tour, and our taxi drivers and tour operators are in the position where they then inform them about the good qualities of the country and thereby many of our visitors by air are previous visitors by cruise ship. So it is important that we treat and continue you to try to attract all caliber of visitors to the Island. That is cruise ship visitors, as well as visitors by air.

I have enquired among our tour operators, taxi drivers how business is. I questioned one the other day and I was surprised he said, "John, business has been bad since last September." That is September 1990, not September 1991. We are not in the position to sit on our laurels and continue to expect business is going to just continue to come to the Cayman Islands. We need to make a concerted effort to attract visitors to these Islands.

I know that the Department of Tourism and Cayman Airways every year spends a substantial amount of money in promotions and marketing and those type of things and that is good. Every penny that we spend is worth it because with the level of spending that have, and we are getting the kind of results we are, you can imagine what it would be like if were to cut our budgets in these areas? It is going to cost everyone of us something to continue to attract tourists to this country.

I have talked to our hotel employees and condominium employees. Some are working two days a week, some are on indefinite furlough and I also understood and I am hoping that my information is incorrect but I was told that one of the major hotels at the present time, is considering cutting staff because its forecast or projections as far as the tourist season is concerned is not very bright, indeed.

What we have to recognise is that our people have been used to a certain standard of living in this country. Our people have commitments and it is important for us to continue to encourage those activities in this country from which our people make a decent and honest living.

MOMENT OF INTERRUPTION
Standing Order 10(2)

MADAM SPEAKER:

The time is now 4:30. I will ask for the motion for adjournment.

ADJOURNMENT

HON. THOMAS C. JEFFERSON:
House until 10:00 o'clock, Monday 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 Monday morning. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM SPEAKER:
Monday morning at 10 o'clock.

The Ayes have it. The House is accordingly adjourned until

AT 4:30 P.M., THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., MONDAY, 25TH NOVEMBER, 1991.

**MONDAY
25TH, NOVEMBER, 1991
10:02 A.M.**

MADAM SPEAKER: Prayers by the First Elected Member for Bodden Town.

PRAYERS

MR. ROY 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

MADAM SPEAKER:

Please be seated. Proceedings are resumed.

I have had apologies for absence from Captain Mabry

Kirkconnell and the Honourable Ezzard Miller, Member responsible for Health and Social Services, who are both sick.

The next item, Presentation of Papers and Reports, the Housing

Development Corporation Report for the Year Ended 30th June, 1991. In the absence of the Honourable Member, the Honourable Member for Works and Communications and will present the Report. I am sorry, this will have to be deferred.

PRESENTATION OF PAPERS AND REPORTS

THE HOUSING DEVELOPMENT CORPORATION REPORT FOR THE YEAR ENDED 30TH JUNE, 1991

(Deferred)

MADAM SPEAKER:

The next item, questions to Honourable Members, No. 262, the First Elected Member for Cayman Brac. This will have to be passed over. No. 263 will have to be passed over. Question No. 264, standing in the name of 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 ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE

NO. 264: Would the Honourable Member say what progress has been made with the aircraft hangar which was to be constructed to house the CAL maintenance services?

ANSWER: The plans for the construction of a maintenance hangar were put out for bids, and the Company is presently evaluating those bids. It is planned to commence construction 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 at present sufficient shelter, should I say, for the maintenance work which is being done locally now on the aircraft?

HON. W. NORMAN BODDEN: I would not say that there is sufficient shelter for the maintenance work that is being done. I think that it is being done under special dispensation issued by the Director of Civil Aviation and that was only being done with the understanding that the company would eventually provide a proper maintenance facility.

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

MR. GILBERT A. McLEAN: Would the Member say if funds have been earmarked for the impending cost of the hangar?

HON. W. NORMAN BODDEN: Yes, Madam Speaker. The guarantee that was provided by Finance Committee for Cayman Airways in March of this year, earmarked \$1 million to go towards the construction of this hangar and those funds are still available for this project.

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, a supplementary to the Member. I wonder if the Member could say whether any consideration has been given to postponing this project taking into consideration the financial position of the national airline?

HON. W. NORMAN BODDEN: Madam Speaker, this project is top priority for the company because of the savings that can be realised by performing the majority of its maintenance in Grand Cayman. I take the point made by the Member for East End but I do believe that in the long term it is in the interest of the company to actively pursue the construction of this hangar.

MADAM SPEAKER: If there are no further supplementaries, the next question is No. 265, 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 ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE

NO. 265: Would the Honourable Member say what steps, if any, have been taken to implement changes in the management of Cayman Airways Limited (CAL) in keeping with the recent CAL Study?

ANSWER: Government has recruited two airline professionals from Aer Lingus to assist with the implementation of changes recommended in the Cayman Airways Limited Study which are designed to strengthen the management of the airline.

SUPPLEMENTARIES

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

MR. GILBERT A. McLEAN: Would the Member say if these two professionals are working and reporting directly to him, and if they are offering supervisory, management implementation on his behalf or on the Portfolio's?

HON. W. NORMAN BODDEN: Madam Speaker, the instructions that have been issued to the two professionals from Aer Lingus are for them to work along with the Management of Cayman Airways, that is the Managing Director of Cayman Airways, to implement the recommendations which the Portfolio has accepted from the Cayman Airways Study. They are to make interim reports to the Portfolio on the progress that is being made.

I might point out, in addition to one of the recommendations as it affects the Management of Cayman Airways is to provide four Divisional Heads reporting directly to the Managing Director. That is the Heads of Marketing, Finance, Operations and Maintenance, Personnel and Administration; the establishment of a Marketing Sales Planning Department; the establishment of a Business Planning Unit; the establishment of a Finance and Expenditure Committee; the establishment of a General Management Committee; appointment of a Contracts Manager; and appointment of one overall Reservations Manager reporting to the Head of Marketing.

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

MR. GILBERT A. McLEAN: Could the Member tell the House if these persons have been assigned subordinate to the Managing Director, or if they are under specific terms of reference on behalf of the

Portfolio where they offer supervisory advice to Management and are not subjugated to Management, as such?

HON. W. NORMAN BODDEN: I would not consider that they are subjugated to Management. They have specific instructions from the Portfolio but they are to work along with the top Management of Cayman Airways to implement the recommendations which have been outlined in the communication to them.

MADAM SPEAKER: The First Elected Member for West Bay.

MR. W. McKEEVA BUSH: Madam Speaker, can the Member say whether the two gentlemen will report to him as the Member responsible and whether he would keep the House informed of any new developments that they might uncover?

HON. W. NORMAN BODDEN: Madam Speaker, based on the Select Committee's Report to this House, the Member for Tourism, Aviation and Trade, myself, was to inform Members of the recommendations which would be implemented. This I have done. The instructions that have been given to the two professionals from Aer Lingus, as I said, are to implement those recommendations which have been given to them in writing and they are to make interim reports to the Portfolio.

I am not too sure what the Member refers to about keeping Members informed as to anything that might be uncovered because I do not believe that type of operation is included in any terms of reference which the professionals have been given. They have been given instructions to assist the Management of Cayman Airways to implement those recommendations which the Portfolio has accepted as outlined in the letter to them.

MADAM SPEAKER: The First Elected Member for West Bay.

MR. W. McKEEVA BUSH: Thank you, Madam Speaker. Can the Member say why he does not see it as feasible to implement the recommendation made by the consultants that the Miami services be transferred to the Head Office here in Cayman?

HON. W. NORMAN BODDEN: Madam Speaker, during the course of the year and in the implementation of the recommendations which have been made, if that is a recommendation that comes to the Portfolio as a result of the work of these professionals here, then that consideration will be given.

My recollection of the recommendations from the consultants was that the Head of Marketing and Sales should be positioned in Grand Cayman at the Head Office and that has not been ruled out but will be considered at the appropriate time.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Could the Honourable Member say whether the Board is now taking the major decisions rather than an Executive Committee, and secondly, whether the Management Team and the other teams do have access to the full Board or whether they must go through the Managing Director?

HON. W. NORMAN BODDEN: The Management Team has access to the various Heads of Department and to the Board of Directors. I do not believe, in fact, I know that no restrictions have, to my knowledge, been placed on any access that these professionals might need in order to carry out the recommendations.

I think the Member might be leading up to the major decisions which are taken by the Executive Committee. The Board is functioning in its normal fashion and I believe and in fact, would aim towards when those recommendations of changes, which I read out a while ago, are put in place, then certainly there would not be any need for the Executive Committee. But I would not see that being totally disbanded until some of these changes have been implemented to the extent that the Management of the company has been strengthened.

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I wonder if the Member could say whether he is satisfied that the professionals are given a free hand to implement the necessary changes within the airline?

HON. W. NORMAN BODDEN: Yes, Madam Speaker. I am satisfied that the professionals will receive full co-operation from the top Management of Cayman Airways and all of the employees concerned in order to implement those recommendations which I am sure have been recognised and accepted that will produce improvements in the running of the airline.

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

MR. GILBERT A. McLEAN: Madam Speaker, in light of the Member's reply a moment ago, could the Member say if the disbanding of the Executive Committee was not one of the chief recommendations of

that Study, that that should be done and that the Board of Directors and Management should function distinctly as is proper within the organisation?

HON. W. NORMAN BODDEN: The point was made in the Study regarding the establishment of the Executive Committee and the point that I am making is that, in truth and in fact, that could not be totally disbanded until the changes which I have read out a while ago, have been put in place that is the establishment of a Marketing and Sales Planning Department; the establishment of a Business Planning Unit; the establishment of a General Management Committee and so on. I would say once these changes are put in place there would be no need for the Executive Committee.

MADAM SPEAKER: The last question, the First Elected Member for West Bay.

MR. W. McKEEVA BUSH: Thank you, Madam Speaker. Madam Speaker, in regards to the supplementary which I asked a while ago and in regards to the Member's answer, in the Member's debate on the Report and in a meeting among Members before that, he stated that he was not going to move Mr. Gonzalez.

Is the Member saying that if the two gentlemen now employed by the company make a recommendation, he will accept their recommendation and get rid of him accordingly?

HON. W. NORMAN BODDEN: No, Madam Speaker. In connection with Mr. Tino Gonzalez, what I said during the debate was that those who worked on a daily basis with Mr. Gonzalez give him a good report and if Management of the company was satisfied with Mr. Gonzalez and his role in Cayman Airways, I had no problem with that.

If what the First Elected Member for West Bay is speaking about is that the transfer of the function of the Marketing and Sales Division of Cayman Airways to Grand Cayman whether that would be done at an appropriate time, based on the findings and recommendations of the consultants who are assigned to Cayman Airways at the present time, then that is a recommendation that I would go along with.

MADAM SPEAKER: The last question is No. 266, 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 ELECTED MEMBER RESPONSIBLE FOR TOURISM, AVIATION AND TRADE

NO. 266: Would the Honourable Member say what does the Cayman Airways Limited's "Buddy Pass" arrangement offer, and what is the cost thereof?

ANSWER: The Cayman Airways Limited "Buddy Pass" benefit allows employees to travel with companions on Cayman Airways' flights strictly on a space available basis. It has been in effect for a number of years, but in January of this year the number of buddy passes were increased to eight per annum per employee as an incentive to staff because the company was unable to offer monetary compensation in the form of salary increases. The cost of each "Buddy Pass" is US\$25.00.

SUPPLEMENTARIES

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

MR. GILBERT A. McLEAN: Madam Speaker, I note in the reply that employees are allowed to travel with companions. It does not say with family. Does this not considerably widen the scope of persons who can travel on Cayman Airways under this particular arrangement?

HON. W. NORMAN BODDEN: Madam Speaker, it does widen the scope but I do not believe that the intention was for it to apply to relatives because they fall under a different category for reduced rate transportation in the airline.

MADAM SPEAKER: The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker. Would the Honourable Member say whether there has been any abuse of this system that he knows about?

HON. W. NORMAN BODDEN: Not that I am aware of, Madam Speaker. I suppose no system is foolproof and I would not venture to say that there has been no abuse but none that I am aware of.

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I wonder if the Member could tell us what is the rate that he is speaking of for family members?

HON. W. NORMAN BODDEN: Family members usually get 75 per cent, 50 per cent and sometimes I believe that single employees are allowed a certain number of free passes for their dependents.

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: I wonder if the Member could say if this is also for eight times a year or as many trips as the family may see fit to make?

HON. W. NORMAN BODDEN: Madam Speaker, it is not for eight times a year. There is a limit, to the best of my knowledge, on how many passes or reduced rate transportation tickets are issued annually.

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

MR. GILBERT A. McLEAN: Thank you, Madam Speaker. Would the Member say if he has received reports at any time of an employee travelling off to Miami, let us say in the morning with a companion, leaving that companion there, going back in the afternoon on another flight so that person can travel on Cayman Airways return for \$25?

HON. W. NORMAN BODDEN: No, Madam Speaker, I cannot say that I have received any information to that extent. I do not know that there is anything that would prevent it because it must be borne in mind that it is space available and I suppose the company looks at it that if the seat is going to be empty in any case, it would be best for them to get \$25 for it.

MADAM SPEAKER: The Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, I wonder if the Member could say whether or not he has received any reports of paying passengers being bumped from flights to accommodate such passes as we have been discussing?

HON. W. NORMAN BODDEN: Madam Speaker, I have heard of some incidents which the Member for East End has just raised in his supplementary. However, I have not had any specifics as to the individuals involved and specific dates and flights otherwise it would certainly be brought to the attention of the Management of Cayman Airways and the employee concerned would be dealt with. But I have heard of allegations or claims that this has happened.

MADAM SPEAKER: Elected Member for East End.

MR. JOHN B. McLEAN: Madam Speaker, could the Member further say whether or not these individuals on buddy passes or family members are allowed to fly first class?

HON. W. NORMAN BODDEN: I do not believe that it was intended to apply to first class but I am not really 100 per cent sure of that. I think that would normally apply to economy class rather than first class.

MADAM SPEAKER: That concludes Question Time for today.

OBITUARIES

Captain Benson Ebanks

MADAM SPEAKER: The House will, I am sure, place on record its sympathy to the widow and family of the late Captain Benson Ebanks, father of our Honourable Member Benson Ebanks. As is usual, I will ask Madam Clerk to convey condolences to the widow and family on behalf of House. Members are aware that the late Captain Benson Ebanks was an outstanding citizen and Master Mariner and one who provided much employment to many people during the many years when he was active in his profession. I know the House will agree with these sentiments.

Thank you.

Continuing the Order for today. Government Business. Bills, Second Reading. Continuation of the debate on the Budget Address by the Third Elected Member for West Bay.

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

MR. JOHN D. JEFFERSON, JR.:

Thank you, Madam Speaker.

When we adjourned on Friday I was dealing with Government's lack of priorities and I also spoke quite lengthily about the need for co-operation between Government and the tourism industry in working to reduce cost in order ensure that we, in the Cayman Islands, continue to attract our fair share of visitors.

Madam Speaker, I also mentioned the effects of the Tax Package that Government introduced a few weeks ago. I would also at this time like to backtrack a bit and deal further with that tax package. I mentioned basically the effects of the increase on fuel or diesel and the "sin tax", that is taxes on cigarettes and liquor.

One of the other areas was the proposed increase in Planning Fees. I did a rough calculation of some of those changes and to mention a few, permission to subdivide, the fee would go from \$30 to \$60 a lot, which represents a 100 per cent increase; the construction of, or extension to a single family residence, duplex or apartment, let us say 1,000 square feet, would move from \$15 to \$150 because it is now based on a square footage charge of 15 cents per square foot.

The carrying out of commercial or industrial development, not being a hotel, petrol station or agricultural development, moved from \$5 per hundred square feet to 20 cents per square foot. Based on 1,000 square feet that would move from \$50 to \$200. The carrying out of hotel development moved from \$40 per room to 15 cents per square foot. Depending on the square footage of that particular development that is a substantial increase.

I think one of the most significant increases is the proposed increase for the carrying out of agricultural development. According to my calculations this would move from \$422.40 per acre to roughly, \$840.80, in other words, basically doubling.

I feel this is significant in light of the fact that Government is now trying to encourage agriculture in these Islands. The Member for Communications and Works some time ago revealed Government's Five Year Development Plan in this area but I feel that what should have happened rather than increasing the fees in this area, in order to encourage more people to get involved maybe the fee for agricultural development should have been waived in its entirety.

I can appreciate the fact that the Planning Department at the present time does not cover its cost, that is revenue that is generated from these fees does not cover its cost. But I think what is significant is that any attempt to increase these fees has to be at the right time. I do not think that the present time is the right time to increase those fees when you take into consideration that the current statistics on Planning Permits were down 66 per cent in the first quarter of this year and 42 per cent in the second quarter of this year. Once again, Government's timing is off because as all the other fees, Government should not introduce tax measures in the middle of a recession.

There are also significant increases in Company Fees which are going to definitely have an impact on the level of business activity carried out in the financial sector. To give you an idea of these increases the fees on ordinary, non-resident companies will be increased from \$250 to \$350 per annum; ordinary, companies will move from \$100 to \$200 per annum, that is a 100 per cent increase. I think especially in the are of ordinary resident companies, this is significant because this will be the fee that will affect companies that are owned by local Caymanians.

Exempted company annual fees will increase from \$475 to \$575 per annum. Foreign company fees will move from \$600 to \$850, that is the registration fee and the annual fee will move from \$300 to \$500 per annum. What is significant about these increases is the fact that at the present time in the Cayman Islands, people who are employed and involved in the financial sector are now concerned about the loss of business to the other offshore financial centres such as the British Virgin Islands.

These fees will only further reduce our competitiveness. They will encourage more business for the British Virgin Islands and other offshore financial destinations. I think, as I mentioned about tourism, we in the Cayman Islands have to be very careful that we do not price ourselves out of the market as far as the cost of financial services in this country.

What a lot of local institutions are doing because their clients are saying they are not prepared to pay the company fee for incorporating a company in the Cayman Islands, they are instructing the institutions to incorporate a company in the British Virgin Islands and if there is a trust or whatever, that is incorporated here. So a lot of these institutions have a presence now in both financial centres, that is the British Virgin Islands and the Cayman Islands because of the difference in cost.

I was talking to a banker recently and he said, "John, we have cut our costs," that is the cost of that particular company, "fees for services to a bare bone." He said, "We still are not in a position where we are attracting the kind of business that we would expect." All that this is going to do is to, as I said before, increase business for these other financial institutions.

I was also told by the same person that company registration in the British Virgin Islands is at an all time high. Some of these institutions are incorporating as many as 100 or 200 companies per day while we in the Cayman Islands continue to have a difficult time attracting the kind of activity in this area that we would like to see. I do understand that this past year was relatively good as far as company registration in the Cayman Islands is concerned but with the increase in fees, I can see this activity dropping off substantially.

I was also advised that because of the level of fees in the Cayman Islands and the lack of business that a major financial institution is now planning on going elsewhere to operate. Madam Speaker, this is significant because we do not want to lose business here in the Cayman Islands to any other destination but we want to encourage more good business to these Islands.

I think it is also important for the financial community and the

Government to get together in order to address the cost and the level of services in this country. The increases in these areas are going to further hurt the competitive position of the Cayman Islands.

I would like now to move on to another area and talk briefly about the lack of Government's interest in our youth. I mentioned on Friday that Government is proposing to cut the sports grant that it gives each year to the associations operating in the Cayman Islands from \$186,000 to \$150,000 for 1992. There has never been a time where more of our young people are involved in sports and rather than cutting this provision, Government should have budgeted much more for assistance in the area of sports, that is the operation of these associations as well as providing proper sporting facilities.

Take a district like the District of West Bay, which is the second largest district in this country and recognise the fact that at the present time the only facility that we have in West Bay that is available for use by our young people is a football pitch, when there are other sports such as basketball, volleyball, netball, cricket and many other sports which our young people from that district are involved in.

I feel that more emphasis should have been placed on providing, as we have called for time and time again in the Cayman Islands, an effective, local drug prevention and rehabilitation programme. We have on this side of the House called for the establishment of a local rehabilitation institution where our young people, who are unfortunate enough to have become involved in drug abuse, can be helped locally.

The Member for Health continues to ignore this need and his attitude is that we have facilities of this nature available overseas. But when you take into consideration the cost per person of sending someone overseas for treatment, it is significant. I feel that much more could be done if we had a local institution established for that purpose.

The other day we moved a Private Member's Motion calling for the establishment of an Assistance Programme at Northward Prison that would, basically, teach our inmates, the majority of them are young people, a skill while they are there, be it mechanics, plumbing, electrical or even the ability to read and write. Many of our prisoners are inefficient or lacking in this area. A programme could also be put in place to assist them before they are released to assure employment once they leave the confines of Northward Prison. I have spoken to many former prisoners and that is their biggest concern, upon being released finding meaningful employment.

One reason many of them are repeat prisoners is because they cannot find jobs to earn an honest living, so they resort to those things that put them in Northward Prison in the first place - that is, burglary, peddling dope, or some of the other illegal activities. I feel that Government has failed our people in the Cayman Islands by not ensuring and insisting that our people who are unfortunate enough to find themselves in this situation to be properly trained and assisted with finding employment upon their release.

What the Member for Education should have done in the three years since he was re-elected and also elected to Executive Council, was he should have seen that a greater provision was placed in the Budget for our youth in the area especially of sports.

Madam Speaker, moving on, I would like to address some of the comments made by the Honourable Member responsible for Health and Social Services in his contribution on the Budget Address. I mentioned on Friday that he attempted to make the House and the people of this country believe that the Budget put forward for 1992 was the Budget of the Financial Secretary. Nothing could be further from the truth because if he does not know it, the First Official Member, who is the Financial Secretary, is a qualified economist and if this was his budget he would not have put forward tax measures of this magnitude in the middle of a recession. So he cannot be blamed for the mess that the Elected Members of Executive Council have caused in this country or the Budget that they are proposing for 1992.

That Member also criticised the Backbenchers about the shopping lists that they bring every year. But that is all that we can do; bring it. But you look at the Budget and very little of these requests are being accommodated in the present Budget or have been accommodated in Budgets of the past. What this Member failed to say was the fact that in 1990, when the Backbench had control of the Budget and we put a provision in the Budget for an ambulance service for the eastern districts, which was supposed to be located in the Frank Sound area, that Member took credit and had this ambulance, once it was purchased and put into service, parked in his district of North Side next to his MLA office.

In that same Budget he had very little provided for his district of North Side. But we were not like him. We put, as I recall, something like \$200,000 in the Budget for road improvements in North Side. That is the difference in the mentality of the Members of this House. We care for all of our people while the Elected Members of Executive Council cater to special interest groups.

He mentioned that no Member for Health has attempted or tried harder to involve the health practitioners and the Backbench in things that he has done or is proposing to do. I think personally it is the Member's approach that has caused the problem. If you call me and say, "John, I want you to attend a meeting, I want your comments on this proposal," then come with an open mind and accept what I have to say. Do not walk into a room and say, "John, even though I invited you here, here is how it is going to go."

That is the difference in the approach. The Member for Health, his approach is, "This is what I am proposing. Here is how it is going to be done regardless of whether or not you like it." He is a dictator and this is the reason why he has not gotten the co-operation of the health practitioners in this country or the Backbench on many of the issues that he proposed. He does not listen. He must have his own way. He involves people but tells them what he wants done rather than insisting or listening to some of their ideas or comments.

Madam Speaker, this Member could learn a lot if he did not have such a big ego but you know I feel that he is living in a fantasy world at the present time. He continues to insist that he is going to be re-elected in 1992. For a Member who only won the last time by four votes, that is quite a

statement. I understand also that a few of those who did support him the last time unfortunately have passed on so his chances of being re-elected is that much slimmer. I can assure him to be re-elected in 1992 is going to be much more difficult than it was in 1988 because the Backbench is going to play a role in that campaign.

That Member has failed to address the social needs of this country. That is, things such as a proper mental health facility which we have called for and I have heard so much about for so many years and that is so badly needed in this country. At the present time our mental health patients are being held at Northward Prison where there have been rumours to the effect that some of these persons who are unable to protect themselves have been subjected to rape and other abuse up there. That is no environment for persons who suffer from such illness. A proper facility must be provided for these persons under the supervision and care of properly qualified people in this area.

He has failed to establish a proper drug rehabilitation facility and programme in this country. He has a few people employed in counselling but much more emphasis has to be placed in this area if we are going to arrest the problem of drug abuse in this country. He has failed also to deal with the issue of child abuse and incest in this community. That is, proper investigation, introducing proper legislation to tighten the penalties for such abusers because understand that both issues are very prevalent at the present time in the Cayman Islands. But many of these persons are scared to come forward to report these incidents because they have very little protection if they do.

He has failed to also establish a level public awareness on such issues as AIDS. Every year we hear that there are more incidents of people being affected and dying from this terrible disease but very little has been done by that Member to educate our people on this very important subject. I would dare say if he had addressed these issues and had placed as much emphasis on these issues as he has placed on building a new hospital in the swamp, then many of these issues would be minimised and our society would be a much better, safer and healthier place in which to live.

In closing on that issue, I would like to tell that Member that the only way he is going to be re-elected in 1992 is if Mrs. Edna Moyle decides that she does not want a seat. Because if she wants it, she will get it. We have been campaigning in North Side and from the information that we have gotten, things are not well for that Member. Madam Speaker, I would like now to deal with the Member for Education and his bid for re-election.

That Member has been the Member for Education for the past three years. The First Elected Member for West Bay and myself, since I have been elected in 1988, have been pushing this Member to deal with the issue of additional classrooms for the West Bay Primary School because the enrollment increased each year and the School was running out of space but he failed to address this issue and we and we asked questions and every time he had an excuse.

But in 1990, when the enrollment there reached a crisis level and additional classroom space had to be found, the only alternative that Member had was to renovate the West Bay Town Hall to house these new students. Even this would not have been possible if it were not for the First Elected Member and myself who were wise enough to put a provision in the Budget in 1990 of \$150,000 for the renovation of the Town Hall and this provision included air-conditioning the Hall.

That Member, faced with the situation, had to hurriedly get Public Works to renovate the Town Hall to house these new students. I remember at the time the excuse or the attitude was that the Town Hall was good enough for us so what is wrong with us housing students at the present time in that facility.

Madam Speaker, we move forward not backwards and as far as I am concerned, that was a retrograde step and it was evidenced that the Member neither has the interest or the ability to deal with his responsibilities as the Member for Education. Despite the fact that we had provisions for the air-conditioning of that Hall, it was not completed during the time that the students were housed in the old Town Hall.

The First Elected Member for West Bay and myself continued to question the Member and asked when we were going to get the new classrooms. He continued to ignore us. But in addition to the pressure from us, he got a letter from the president of the PTA of the West Bay Primary School who criticised his lack of action and this got the Member's attention and sent him scrambling to the First Elected Member and myself for support and naturally, because we are from the District of West Bay and support anything that is good for that district, he got our support and the support of the Backbench for a request for Phase I of the West Bay Primary School, which has just been completed and opened for enrollment in September, 1991.

But I understand that even that first phase has some serious flaws which should have been addressed before the facility was constructed. I asked a question here, I think in the September Session, asking whether or not it was intended to air-condition these classrooms and the Member advised that it was not Government's policy to air-condition Government School classrooms. But I understand what has happened is that the building must have been constructed with the idea of air-conditioning these classrooms because I understand that the ventilation in these new classrooms is very poor and it is rumoured now that what Government has to do is knock out part of the wall to add more windows to increase the circulation in this area.

So in this year's Budget there is a provision for over \$600,000 for Phase II of these new classrooms and I feel that it is the Member's attempt to enhance his chances of re-election in 1992. It appears that is the practice. You sit and flatter your backside for the first two or three years and then you spend money in the last year hoping that the people will not remember what you did not do in the first three years and re-elect you.

May I add that both the First Elected Member and myself do support this expenditure because the additional new classrooms are needed and we feel it is a good thing as far as our district is concerned. But the Member for Education is hoping that the people will forget his attempts in 1990 to

destroy the First Elected Member, the First Official Member and myself in 1990, which he failed to do. He is hoping that the people also forget that he was the architect of Motion 3/90 which changed the Constitution of the Finance Committee, removing the Financial Secretary as Chairman and replacing him with the President of the House at the time which was the Governor and adding the three Official Members so that Government could have its way with regard to expenditure in these Islands. He is also hoping that the people forget that he was the architect who called for constitutional change even though he campaigned in 1988 on a manifesto of no constitutional change or advancement. So, Madam Speaker, he is hoping that the people will forget these things.

He is also hoping that the people will forget that he was unable to deal with the problems that we are presently experiencing in our public schools that is, in particular the Middle and High Schools where there have been reported incidents of students carrying firearms and other weapons, incidents of teachers being beaten by students. I am quite sure that the people of this country and in particular the people West Bay will not forget the Member for Education's inability to deal with these problems.

I feel that this Member's administration in dealing with his responsibilities has failed. It is about time that the Member moves on and gives somebody else who is more capable and has the interest of our people at heart to replace him as Minister for Education.

You know it is comical, the other day we were sitting in the coffee room. That Member mentioned that his party is going to take all four seats in 1992 and in order for the First Elected Member for West Bay and myself, to retain our seats we have to repent and request that he allow us to run on his platform. It will never happen, Madam Speaker. The Member is living in a fantasy world. Madam Speaker, even to mention that there is evidence that the Member is in trouble in his attempt to convince candidates to run on his platform of the calibre that will defeat the First Elected Member and myself, in West Bay. Our seats are secured. When that Member sees the team that we will be putting up in 1992, he would be wise to take advantage of the changes in the Parliamentary Pensions Law, made possible by his colleague the Member for Health, and enjoy his retirement. His chances of being re-elected are slim and nil.

He is a worried man. He is a worried man because all of a sudden the Member has taken up smoking again and this is always a sign that he is under pressure. He only smokes when he is in trouble.

MADAM SPEAKER: Member could you desist from making remarks like that? That is not absolutely necessary in a parliamentary debate.

MR. JOHN D. JEFFERSON, JR.: Let me just say that it is evident that the Member is in trouble. I would just like to add in dealing with the campaign, that those potential candidates who might have it in their minds to jump on his platform had better think twice.

Madam Speaker, I would like to move on now to the district needs of West Bay and I can only say that our district continues to have many needs that have been unfulfilled. We still have people living in our district who do not have a road access to their home.

Just recently, there was a fire in one of these areas and the resident lost his home because the access to his home was so narrow that it was difficult for the fire truck to get there in time to put out the fire. This has to be wrong. I feel that every person in this country, regardless of whether or not they live in East End, North Side, Bodden Town, George Town or West Bay, should have a road access to their property. And if there are landholders who are blocking them in, Government should negotiate a legal access to these properties even if it calls for Government, in some instances, to compensate the landholder for that portion of property that is given up in order for the person behind him to have an access to his place.

The First Elected Member and myself have attempted time and time again to correct the situation and in 1990 we put a provision in the Budget, with the support of our Backbench colleagues, of something like \$550,000 for road works in West Bay. But you know rather than spending these funds as budgeted for this purpose, the funds were used for such unnecessary expenditures as consultant's fees etcetera, etcetera. The road needs in West Bay continue to go unaddressed.

Despite repeated visits from the Member for Communications, he has done nothing to address these needs. The excuse that we keep getting is that he cannot get Public Works to do anything. Now as far as I am concerned this is not a sufficient excuse for not doing what the Member is responsible for doing with regard to roads in this country. There are steps available and provisions available under the Constitution for dealing with civil servants who are unco-operative and who fail to do what they are supposed to do. The Member could have asked the Governor to replace the Head of Public Works with someone who would get something done. But I do not think that is the case. The Member is using this as an excuse to starve the Backbench out hoping that it would diminish our chances of re-election in 1992. The Member, as far as I am concerned is playing politics.

What this country needs is a Government which is prepared to deal with the needs of all of our citizens. Yes, what this country needs also is a Government which will insist that Caymanians are educated and trained, a Government which is prepared to make it a priority to ensure that all Caymanians are employed. Many of our people at the present time cannot find a job even though there are many jobs which they could do, which are presently being filled by someone on a work permit. We need a Government which is prepared to protect the rights of all Caymanians and a Government which will cause Caymanians once again to feel proud of the fact that they are Caymanian. That is not possible with the present Government.

I can promise the people of this country come November, 1992 if they do what they say they are going to do, that is elect the Backbench in a majority, then we will be in a position to address the needs of all of our people in this country.

The other area that I would like to touch briefly on, two areas, is

the substantial increase in Government's Budgets over the years. To give you an idea of what I am talking about in 1970, which is only 21 years ago, Government's Budget for Recurrent Revenue was \$2.9 million and in 1992, we are proposing a Budget of \$130 million. I did not put my calculator to this but that is a substantial increase over the years. The question I have to ask is how much more can Government's Budget increase? How much more can we grow?

Madam Speaker, one of the disadvantages of being a tax haven or an offshore financial centre is the fact that you have limited resources to work with. I feel that it is time that Government recognise that it cannot be all things to all people. What Government should be doing is encouraging private enterprise to provide more of the services needed by the people of this country.

There is no reason why Government should have taken on the responsibility of providing the service of water and sewerage. This could have been done and tendered to the private sector. I am quite sure they could have found an outfit which was prepared to provide the service because it is a very lucrative business. There is no reason why Government should insist on building or spending another \$16 to \$20 million on a new hospital when there are plans already in place by a private practitioner to build or construct a new hospital in this country.

What the Member for Health should be doing is renovating, to the level necessary, the present facilities in order to ensure that our people continue to enjoy proper health care services in this country. It is not necessary for Government so spend another \$20 million for a new hospital. This is just an ego trip. So I feel that it is time that Government recognise the fact that it is dealing with limited resources and they have to cut the demand for their services accordingly because we cannot continue to grow and to expand at the level that we have been doing over the past two or three years.

Government also has to look at ways of cutting its Recurrent Expenditure and I am quite sure that if they look hard enough, there are areas where savings can be effected. So our Budget is getting to the level where we need to seriously start from ground zero and look at the whole process.

MADAM SPEAKER:

Are you at a convenient time for suspension?
The House will be suspended for 15 minutes.

AT 11:27 A.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 11:52 A.M.

MADAM SPEAKER:

The Third Elected Member for West Bay.

Please be seated. Proceedings are resumed, debate continues.

MR. JOHN D. JEFFERSON, JR.:

new area of Civil Service Salary Awards.

Thank you, Madam Speaker. I would like to move on now to the

I want to say that I support the Civil Service salary award for 1992 but, Madam Speaker, it is my opinion that civil servants are as bad off now or worse than they were in 1990 before they got the award of 22 per cent at that time. What Government did then is that they gave them an increase of 22 per cent and took it back through the Tax Package of \$10 million. Again, in 1992 the award is not unconditional. The award is going to amount to some \$3.5 million and once again Government is taking back a portion of this by their new tax measures of \$9 million to \$10 million introduced in this Session.

Madam Speaker, in summary I would like to say that this Budget is presented in a period of recession, high inflation, high taxes, uncontrolled Government expenditure, unprecedented Government borrowings, high unemployment, high cost of living, and also in an environment where our Caymanian people are suffering financially from measures caused by the recession and also by measures adopted by Government that are basically related to the tax increases.

I would also like to say that, as I mentioned before, I feel that there is a need for greater co-operation between Government and the tourist industry if we are to survive and continue to enjoy the numbers in our tourist air arrivals, as we are accustomed to. It is going to take effort to turn this economy around. The private sector has to be prepared to carry its fair load of this responsibility.

In closing I would like to thank the First Official Member, that is the Financial Secretary and his staff, for the hard work that has gone into changing the format of the Budget which is now very detailed and comprehensive and sets out Government's Revenue and Expenditure in a much more understandable fashion.

Madam Speaker, I just feel, as I mentioned in my opening remarks, that Government's timing, as far as the tax revenue measures, is wrong. They should not have been introduced in a period of a recession because rather than stimulating the economy, this would further dampen economic activity and that Government should have resorted to cutting its expenditure, tightening its belt and limiting its borrowings. The fact remains that Government has done just the opposite. Only time will tell the true effects and results of these measures.

I am glad that this is the last Budget that will be presented by this Government before the 1992 elections and I want to assure and encourage our people that until then we on the Backbench will continue to fight to defend their interests, oppose those measures which we feel are not in the best interests of the country and people, and that we will be in a position, with their help, in 1992 to address the situation and turn this country around and head it back in the direction that it is supposed to go where we can once again feel proud to be a Caymanian, enjoy the standard of living that we have been accustomed to, and that we are in a position where we can earn the level of income that is necessary to support our families in this country.

Thank you, Madam Speaker.

MADAM SPEAKER: If no other Member wishes to continue the debate, I shall have to ask the Honourable Financial Secretary if he wishes to reply. (pause) I do not know if the House is going to sit in limbo indefinitely. (pause) Perhaps the Leader of Government Business could give an indication of what it is proposed the House should do.

HON. THOMAS C. JEFFERSON: Madam Speaker, sorry if we are taking so long to answer you. I believe it is the understanding of the Government Bench that the Member for Communications and Works will make his contribution this morning.

MADAM SPEAKER: Well I am glad to know that someone will be speaking after a pause of nearly five minutes. The Honourable Elected Member for Communications and Works.

HON. LINFORD A. PIERSON: Madam Speaker, as I told my colleagues I was not really prepared to go this morning but rather than have the Budget Debate brought to a close, I feel that it is in the interest of the people of these Islands that a budget of this importance and of the quality that we have seen here should get as much attention as possible.

Madam Speaker, I would first wish to thank the Honourable Financial Secretary for the wonderful job he did not only in preparing the Budget but indeed, in the presentation of his Budget Speech. Indeed, also to recognise the amount of time and effort that was put into the preparation of the Budget by his very dedicated staff, in particular, without wishing to offend any of the hard working staff, I would wish to particularly recognise the very hard work that was put in by Mr. Joel Walton.

Indeed, also the assistance given to the Honourable Financial Secretary by Members of Executive Council as well as their support staff. The preparation of the Budget is not something that is done by any one individual, it is a joint effort and I think that it is important that the listening public should know that the preparation of this Budget like any other budget, was the joint effort between all Members of Executive Council as well as their support staff. So when Members get up in this Honourable House and say that it is the budget only of the Elected Members of Executive Council, Madam Speaker, I trust that the members of the listening public will know that this is just political rhetoric and that most of the Members saying that are not fully aware of the process that is followed.

Madam Speaker, I have listened to much of the debate and one of the reasons which I feel that was perhaps thought of for Members not wishing to jump up and speak from the Government Bench is mainly that much that has gone on before was really not worth replying to. We have not heard not very much of any constructive criticism. I would have thought that with the very high level and high plane in which the Financial Secretary presented his Speech and the Budget that this would have been an example for Members of the Opposition Backbench to have followed.

Unfortunately, this being a pre-election year, there was much more political rhetoric than contents. Members took the opportunity to campaign on what should have been a Budget Debate seriously discussed in the interests of the public. Some of the allegations which were made will have to be replied to because members of the listening public hearing responsible representatives get up in this House and make such allegations may be led to believe that what they are saying is indeed factual.

Madam Speaker, as stated, political rhetoric is no substitution for contents and facts. We have heard much of this here in the House since the start of the Budget Debate. The question could be properly asked could any Member of the Opposition Backbench have contributed to preparing a better budget than was presented for the 1992 fiscal year? Do they have the capabilities that are above what we have here on the Backbench that would have assisted them in preparing a more constructive budget?

I will not answer that question but I will leave it lingering in the minds of the listening public and they will be the final arbitrators. They will be the ones that will judge the stewardship of Executive Council and they will be able to compare that stewardship with the stewardship of those who have gone before that are also here now criticising Government. But had the Members of the Opposition Backbench taken a little time to examine the Budget in its detail, they would have been able to prepare a much more constructive contribution to this very important debate.

Had they taken the time to have read the summary that was made so available to them by the Caymanian Compass, - and I must pause to congratulate Miss Carol Winkler from that company for the wonderful job she did in the summary in the Caymanian Compass of Monday, 18 November, when she gave a summary of the 1992 Budget. She asked the question: Where the money goes?

She made it quite clear exactly what comprises the total expenditure of \$130,751,091. Why did the Honourable Members of the Opposition not take the opportunity to read this and if they did not understand it there are Members of the Government Bench that would have been happy to explain it to them because we understand it.

Madam Speaker, over 80 per cent of the Recurrent Revenue goes into Recurrent Expenditure. A total of \$107,068,707 has gone into Recurrent Expenditure. How can the Backbench do any better than this? How can any Member of this House change a situation where your recurrent expenditure is almost equal to your recurrent revenue without making drastic cuts in areas such as the Civil Service? Which one of the Opposition Backbenchers is suggesting that we start slashing the Civil Service and making those hard-working individuals redundant? Is there any other area of the Recurrent Expenditure that they are suggesting we cut?

Do we want to cut the expenditure of \$1+ million in the Office of

the Governor, or in the Finance and Development Department some \$25 million? Do we want to cut the Judiciary, the Legal, Internal and External Affairs, Tourism, Education, Health, Communication? This is what comprises our total Recurrent Expenditure, so how these Members can truly, with a clear conscience, get up in this House and level unjustified criticism on this Government, for this Budget, is beyond me.

Let us look at the balance that comprises the full, total Expenditure for 1992. Statutory Expenditure is comprised of \$8.2 million. Which Member of the Opposition Backbench can change the Statutory Expenditure of this country? It is as it says Statutory Expenditure. It is fixed and it cannot be changed by the stroke of a pen. These are expenses that must be paid.

There is no question in my mind that much of the rhetoric that we have heard coming from the Opposition Backbench is merely political rhetoric and campaigning. There is no substance in it. Capital Expenditure of nearly \$8 million continuing from 1992 into 1992 and the new area of \$5.4 million. If the Honourable Opposition Backbenchers took the time to categorise and detail those expenses they will see that they are all needed and fully justified expenses such as the needed Primary School. Yet I heard nothing said of the need for some of these Capital Expenditures.

As regards the \$2 million for new services, much of that is in respect of Prison Officers. We need 10 new Prison Officers, 16 new teachers and educational psychologists, etcetera. Which one of the Backbenchers will say that this is not needed? Yet we hear them get up in this Honourable House and they spout a lot of political rhetoric with no substance at all just to try and give the listening public the wrong impression that their Government is not doing a good job. But deep in their hearts they know that we are doing a good job with what we have to work with.

Madam Speaker, speaking of what we have to work with, where is all of this money coming from? For on the one hand we hear the Backbenchers saying the Member for Communication and Works is not giving us all of the roads that we need. The Member for Communication and Works is not giving us the buildings that we need. Yet at the same time they are preaching fiscal prudence. They need to be more consistent.

If we have a budget before us now, the financial position of this country suggests that most of our money is now going into Recurrent Expenditure. For us to be able to spend more on Capital Expenditure we need to find the money somewhere. Is it coming from some secret, unknown way that they might have conjured up? There is only before us right now, with the type of economy that we have, one way of getting revenue.

Madam Speaker, most of our revenue comes from an indirect source which I am the first to agree is a most regressive source when you think of the little people that it hurts. But it would be worse if this country considered any type of direct taxation on our people. It would destroy the very thing that we so proudly boast of, one of the most sophisticated financial centres in the world today, not just the Caribbean, but in the world today. We have no other way to raise revenue than to tack it on to some indirect form of taxation as we have done. Yet they are there saying some of the voodoo economists are telling us that we should lower interest rates. I wonder where these economists come from? When have we ever, in the Cayman Islands, had that sort of financial influence in the world where our banking system can lower interest rates to bring down inflation or boost the economy?

Madam Speaker, whatever we do in the Cayman Islands is determined by what happens abroad. We are affected and influenced by external factors over which we have no control. Any lowering of interest rates to boost the economy is not something that we have to do in the Cayman Islands. I would have thought that the Third Elected Member for West Bay, with all of the knowledge that he professes to have, would have known that. And if he did not know that he would have checked his facts before he got up in this Honourable House to speak on that type of subject.

Madam Speaker, it is truly said that when the United States catches a cold we are already sneezing in the Cayman Islands. We are very directly influenced by what happens in the United States whether it has to do with our financial sector, whether it has to do with our tourism, we are directly influenced by what happens in that country.

This is the reason, whether the Backbenchers want to admit this or not, the primary reason why this country is now suffering a recession. It has nothing to do with the competence or incompetence of Members of Executive Council. It has to do with the vagaries in the economic position in the United States of America. They are now in the throes of a recession. That is exactly what is affecting this country.

I heard President Bush, in an interview a few days ago saying that he recognises the problem that they are having in the United States. There are people that are jobless in the United States that have to go on the "dole". There are people that are homeless in the greatest country in this world. We are directly effected by those economic vagaries in that system.

On top of that, I was listening for the Opposition Members to have fruitfully told the country, these Islands, the problems and the reasons for the problems we are having with our Budget and our economy. One of the major reasons was the problem in the Gulf yet they missed this golden opportunity to explain to the people of this country that what is happening today is a situation over which Elected Members of Executive Council have no control.

We have no control over the number of people that want to travel on Cayman Airways. After the Gulf problem a lot of people stopped travelling by air thus the reason for the calamity of Cayman Airways. They could not fill their seats, therefore the hotels suffered, therefore the people working in the hotels suffered, therefore it had a negative effect on our economy.

Similarly, there were less goods coming through our ports because the businesses could not afford them. That is the reason why when we look at our revised 1991 Budget or Estimates, we will see that we fell below the mark. That is the reason. Not that the Elected Members of Executive

Council did not carry out their jobs the way they should have done. Let us tell the people the truth. Those are the reasons. Reasons over which, and I cannot overemphasise this, reasons over which this country had no control. Those are the reasons for the economic slowdown in this country.

Madam Speaker, I will take just a few minutes to refer to remarks made by the Honourable Financial Secretary in the well-presented speech that he made here a few days ago. It is captioned Economic Prospects for 1992-1993. I trust that those speakers that have gone before, the Moses and the Aarons, took the time - but I will have a little more to say about Moses and Aaron - to read this properly.

It reads:

ECONOMIC PROSPECTS FOR 1992-1993

"The short-term economic outlook 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,".

It did not say, "in Cayman's economy" because the Honourable Financial Secretary knows that we have no control over what happens here. Our economy is affected by external factors, not by any sort of machinations or wishes that either Honourable Executive Council or Members of the Backbench might hatch up. These are cold, hard facts.

He went on to say:

"The general consensus outlook in the U.S. is that although growth in that economy continues to be sluggish, overall real growth is expected to be 3.3% in 1992 and about 2.6% in 1993,".

Madam Speaker, we know that whenever there is a recovery in the recession in the United States that it is some six to nine months before these Islands even begin to feel the positive effects of that upward trend in the economy. Madam Speaker, the Honourable Financial Secretary continued, and this is very important. This perhaps is one of the most important parts of this speech. He said:

"Given the predominant influence of the U.S. economy on the local economy, a 3.3% and a 2.6% stronger growth in 1992 and 1993 respectively, if" and I stress that, "if materialized, would generate positive impacts on the local economy.".

So we are going through a rough time right now but there is light beyond the tunnel and some of these prophets of doom could not do as well as we are doing under the circumstances.

The situation that we are experiencing here is not peculiar to the Cayman Islands even though our first interest is the Cayman Islands. This is happening all over the world. People are out of work, people are suffering from the recession. It is not just a problem for the Cayman Islands. We on Executive Council, better than most, are appreciative of this problem and thus the reason for the positive, upbeat Budget we have presented for 1992. In the circumstances no one in this House, without fear of contradiction, I say no one on the Backbench would have been able to handle the situation better.

Madam Speaker, I believe on the basis of the Budget Speech that was presented by the Honourable Financial Secretary, who, I am sure, did a lot of research into this, I agree that there will probably be an optimistic trend for 1992-1993. I believe that by the first quarter of 1992 we are going to see positive signs in the growth of our economy. That is why the Members of the Backbench who are hoping that the recession will give them the opportunity to slide over here, might have a big disappointment.

I believe that even the loan in the amount of \$3.5 million that we had to transfer in figures to balance our Budget will not be necessary. I believe that the economy will so survive and improve that there will be no need to have to dip into those Reserves.

It was somewhat amazing to hear Members talk about Government's irresponsibility by touching the Reserves. Yet this was more the rule than the exception between the years 1976-1984 because one will realise - and the figures are there, they do not lie - that when the present Government took over in 1984 the country was bankrupt. Yet I heard nothing said of that. Much of the woes that this Government may have gone through since 1984 were woes that were put in place that we had to clear up.

Madam Speaker, what did the Honourable Financial Secretary have to say about our fiscal performance, our stewardship, the way that Government has handled the affairs of this country? Really, he only reinforced what many people knew. He said:

"Madam Speaker, one conclusion that may be drawn from this review, is that, overall, public finances have been reasonably well-managed as best as circumstances appeared to have warranted.".

Madam Speaker, some of the Backbenchers do not realise that in their attempt to gain political mileage in criticising the Government Bench that they too, criticise the Honourable Financial Secretary, who is Government's Financial Adviser and he himself has said here that in his professional opinion, the "public finances have been reasonably well-managed." I refer Members to page seven, section 4.1.6. of his Budget Speech. There is no ambiguity in that statement. It is quite straightforward that the public finances of this country have been well looked after.

Madam Speaker, I believe that this Government is a very

prudent Government and those who have spoken before, the prophets of doom, the Moses and Aarons, and those who will come after me, should, if they are going to criticise this Government, give facts to back up their allegations rather than getting up here and saying that Government should do better, that Government is not doing well enough. Show or tell the people specifically where we are going wrong and how we could have done better and how they could better the situation under the circumstances. This is what good, responsible representation is all about. Not getting up here and telling half of the truth.

Madam Speaker, this Government has exercised prudence in budgeted expenditure and they have put in place proper management tools which guard against inefficient and ineffective public spending. We have been criticised as the Government that believes in using the services of consultants. God help this country if we get a bunch on the Government Bench that believe that they know it all and will not use the services of consultants where they are needed. Madam Speaker, nobody is that knowledgeable that they know everything.

When I hear Members get up here and criticise Government for getting good, sound advice in how the revenue of this country should be expended, I am baffled by the logic that they use, knowing that we have the trust of the people of this country and that we must show good stewardship in the way their monies are spent. The best way to ensure that is to ensure it is being spent in the best way possible. So when this Government decides that it is prudent to get and put proper consultants in place, I think that they should be congratulated rather than ridiculed, as we have heard here in this Honourable House.

Madam Speaker, this Government has placed clear priorities in public expenditure and in planning. We have concentrated on quality rather than on the quantity of spending. I made a remark a while ago about Moses and Aaron. I heard a Member in this Honourable House get up and say that we need a Moses. This Member is my friend but he was throwing some politics at us so I will reply to what he had to say.

A few nights back I was listening to a sermon about Moses and one of the major points that was raised was that Moses, though a righteous and good man, did not go to the promised land, he died in the mountains. And one of the reasons that he did not go to the promised land was because he spoke out of turn. He did not use the words that the Lord wanted him to use and this is why he died in the mountains and did not get to the promised land.

MR. W. McKEEVA BUSH:

That is not what it was, he had no ExCo Members to deal with!

HON. LINFORD A. PIERSON:

And, Madam Speaker, by association, Moses, or the self-proclaimed Moses of today has an Aaron, like Moses had in those days. But you know the problem with Aaron, though he was the mouth-piece for Moses, he spoke too much and he got carried away with his own rhetoric and this is why he died in the wilderness.

That very eloquence which we hear that is so poisoned, could be the demise of that very Member because he should be beaten with more stripes. He knows better. He was a Member for eight long years, of Executive Council, the Second Elected Member for Bodden Town. I heard him get up in this House and criticise Government. What he had to say? He said, "Imagine, from 1973, we needed a ramp in Bodden Town but it is only in 1988...." he did not continue to say that it was only after the present Member for Communications and Works saw fit to give the people of Bodden Town, forgetting about the politics involved, a proper ramp. That the present Member for Communications and Works bought a piece of property for over \$200,000. He did not say that because he would have been giving me credit and that would not have been the purpose of his debate.

But I want to ask that Honourable Member, my friend, he is my friend and he knows that, where was he between 1976 and 1984? He was the Member responsible for Communications and Works and he should have seen to it that the people of his constituency got their ramp. It is only in my three years that the people in Bodden Town are getting that ramp and not only the one in Bodden Town but also one in Frank Sound, one in Newlands, and one in South Sound.

Before I sit from debating I will take the opportunity to let the people of this country know my accomplishments in those three years. I did things for the constituents of the Second Elected Member for Bodden Town that he failed to do in his eight years. I have done it in three years. So it amazes me that he has the temerity to get up in this House and criticise the present Member for something that he should have done during his eight years.

I am sure that with the experience and knowledge, and no one can question the Member's intelligence, that he knows better. But it is a pre-election year and this is a time, as is expected, that they will criticise Government and I am sure that members of the public know this.

Madam Speaker, as regards the remarks made by the Members for Bodden Town, the First and Second Elected Members, I am not going to hit them too hard because I know that they know better. I know that they are trying to build up their political credibility for 1992. What they should have said was not so much what was not done, because Government could not afford to do some of the things they requested, but they should have been gracious enough to tell this Honourable House some of the things that were in fact done for their constituency during the time that I have been in office.

Madam Speaker, I got one of my officers from Public Works so that I would have the facts. Just give me an idea of the street lights alone that were distributed in Bodden Town. During July, 1988 to December, 1989, I gave CUC the authority to distribute no less than 77 street lights for that district, yet I heard nothing said of it. No gratitude.

From 1st January, 1990, to the end of the year, December, 1990, we put in an additional 50 street lights and from January, 1991, to 25th November, an additional 51 street

lights. Madam Speaker, this is more than the Honourable Second Elected Member for Bodden Town did in his whole eight years.

There are none so blind as those who refuse to see, even though you give them all of the lights that you can find!

There were other districts. In West Bay during 27th July, 1988 to December, 1989, we put 70 street lights, five in North Side and six in East End in that period, with 116 in George Town, in case the Third Elected Member for George Town gets up and speaks on street lights, 116. That was only from 27th July, 1988 to December, 1989. In addition to that from 1st January, 1990 to December, 1990 we put in an additional 134 and there was an objective behind that, to give the Third Elected Member for George Town as much light as was needed. During that period we had 32 in West Bay, four in North Side and one in East End.

January, 1991 to November, 1991, 22 more in George Town. I wonder how many the Member for George Town put in during his eight years? Maybe he will tell us when he speaks. Twenty-nine in West Bay, I already gave the figures for Bodden Town, four in North Side and 20 in East End. Yet, we hear the Moses and Aarons of this world, self-proclaimed, telling us that we need a leader. With all of the lights that I am giving them, they should have seen the light. They should know that they have good leadership. It is much better than they had before otherwise they would not need as many of these amenities as we are now providing for them.

Madam Speaker, talking about what was done for the road section since I took over because much was said here about political favouritism but I cannot understand how the representatives of the people of this country, of these Islands, who are given the trust of the people of these Islands, could get up and give some of the information that I have heard given in this House.

They say that the Member for Communications is playing politics. Madam Speaker, I am amazed that they did not bite their tongues. I have been doing more for roads in some of the outlying districts, than has been done in George Town, the capital, the area that I represent. However, in case the Third Elected Member for George Town gets up and tries to capitalise on that, I would just like him to know that the work is in place for the necessary road works in George Town before November, 1992. Madam Speaker, in the three years, 1989, 1990 and 1991, and I will give you these by districts, there were 19 jobs done in West Bay for a total cost, between 1989 to 1991, of \$472,430.

In George Town there was a total of 37 jobs done for \$1,094,066. So I cannot be accused of not looking after my own district regardless of whether Honourable Members want to say that it is politics, I do look after my people. In Bodden Town there were 28 jobs for a value of \$721,291. I trust that the First and Second Elected Members for Bodden Town are taking these figures down. There were 28 jobs for a total cost of \$721,291. Is that political favouritism, or is that a Member who is playing politics? No.

In East End there were a total of 12 jobs for a total amount of \$382,226. One of the biggest road jobs that we have now under consideration and that we are working on is being done in the constituency of the Member for East End. We all know that Member is a Member of the Opposition Backbench, so I am not playing politics. I am not playing politics, I am being a leader in this country who is looking after the national good of the people of this country not just parochial politics. I have not touched Cayman Brac and Little Cayman yet, but I will.

In North Side in the constituency of the Member who is an Elected Member of this Government and one who I would have normally, if I were playing politics, given a preference to. He had the least amount of work down in his district. He had nine jobs for a total cost of \$158,302, in those three years. So is that a Member who is playing politics with the funds of this country? Those Members who said that should be thoroughly ashamed of themselves because they know better.

Madam Speaker, in 1989 the total Capital Projects in this country totalled 23 jobs at a cost of \$349,171, including the five districts on this Island. In 1990, the total was 54 jobs at a value of \$1,150,929. These are the kinds of statistics we should have heard in this House which can be of interest and benefit, and provide information for the people of the listening public. Not just a lot of political rhetoric criticising Government with no constructive way of doing better than we are doing. And they say that they are more qualified to be on Executive Council?

In 1991, there were 28 jobs completed at a total investment of \$1,328,215. For those that have gone before and those that I am sure will come after and criticise this Government, let me just give the 1991 Capital Project List of jobs by district. In West Bay we have the Rally Quay Mall, Governor's Harbour in the value of \$37,296; Elizabeth Street, second application, \$12,473; Batabano Road, second application, \$26,800; Town Hall/Hell Road junction, \$10,000. In George Town during 1991 we have Mangrove Avenue, second application, \$52,587.

I think that it is appropriate and it is proper, because of the criticism levelled here since the debate started that I take some time to let the people of this country know exactly where the money has gone and that it is benefiting them, the people. As I said, we can only do so much with the money we available to us.

Continuing on George Town, Hinds Way, second application, \$19,261; Marina Drive, second application, \$42,160; Prospect Park, second application, \$70,436. The Second Elected Member for Bodden Town should know about this because he lives in that area. Selkirk Drive, second application, \$42,983; Radar Road, marling, \$83,000; Crewe Road/Lion's Centre reconstruction, \$139,103; the sidewalk for the Museum, \$11,319; West Bay Road sidewalk, \$12,183; Glen Eden widening, \$12,969; the Jennet "L" Road, \$257,058; Webb Road drainage, \$32,400; Coemer Drive reconstruction, \$6,000; Windsor Alley, \$4,000; Windsor Park/Stubb Road, \$26,000; Library carpark, \$12,000. I should mention here that some of these jobs are still ongoing but that they are provided within the revised Estimates for 1991.

also been provided through my Portfolio and that is the upgrading of the carpark to the east of Glass House. If time permits, at this point I can go into the reasoning for that but I notice that it is 1:00 o'clock.

If I may continue, or I could stop at this point.

MADAM SPEAKER:

How much longer would you be in doing that?

HON. LINFORD A. PIERSON:

Quite a lot longer, Madam Speaker.

MADAM SPEAKER:

Well, then perhaps we may take the adjournment now.

ADJOURNMENT

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

Madam Speaker, I move the adjournment of this Honourable

MADAM SPEAKER:
until 10 o'clock Wednesday 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:
Wednesday morning at 10 o'clock.

The Ayes have it. The House is accordingly adjourned until

AT 1:02 P.M., THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., WEDNESDAY, 27TH NOVEMBER, 1991.